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SOCIAL SECURITY IN REVIEW

PREPARATIONS for the inauguration of monthly benefit payments under the old-age and survivors insurance program were all but completed by the end of November. Detailed procedures for payment of benefits had been developed, and tentative plans had been formulated for the handling of appeals of benefit determinations. Adjudication processes were subjected to actual test through preliminary adjudication of some 350 claims which had already been filed. Plans were still being developed for certain types of operations, such as payment of benefits in foreign countries, checking on continued eligibility of beneficiaries, reporting of school attendance by local officials, and other procedures.

By the end of December approximately 20,000 claims for benefits had been filed in field offices of the Board, and a fourth of these had been forwarded to the Washington offices of the Bureau of Old-Age and Survivors Insurance for adjudication. Preliminary analysis of the first 1,948 claims handled indicates that more than 93 percent were filed by men and only 136, or less than 7 percent, by women. Only 185 of the men had wives 65 years of age or over. Another 652 had wives between 60 and 65 years of age, and 500 had wives under 60.

Examination of this first group of claims confirmed the anticipation of the wide range in the size of the monthly benefits which may be payable, since benefits are now calculated on the basis of the average wage. Combined monthly benefits of a retired worker and one dependent will range from the minimum of \$15 to more than \$61. Benefits payable to single persons will range from \$10 to more than \$41 for this first group of claimants.

Claims which are found valid will be certified by the Board for current payments, except in the case of individuals who have already received lump-sum payments. Before claims for these individuals can be certified and monthly payments commence,

deductions for the full amount of any lump-sum payments will be made. Lump-sum payments at age 65 were made to more than 178,000 workers before the adoption of the Social Security Act Amendments of 1939. Under the original act these lump-sum payments would have been the only benefits for which these individuals were eligible. Under the amended provisions, however, many of them will be entitled to monthly payments after required deductions have been made.

OPERATIONS under the employment security program reflected for the most part the influence of seasonal curtailment in agriculture and selected industries. Placements in private industry in the month declined to 249,000, a decrease of 19 percent from the total for October. The November total, however, was the highest recorded for that month in the history of the public employment service, and was about 40 percent above the number for November 1938 and 58 percent above that for November 1937. Declines in the number of private placements were general throughout the country; only Texas and Arizona reported increases over the number for the preceding month.

Applications for work received during the month increased in 30 States. The total for the country as a whole was more than 1.4 million, or 6.6 percent above the number for October. The increase in applications, together with the decline in the number of placements, resulted in a net rise of nearly 3 percent in the number of persons registered as in search of employment. At the end of the month, the active file of the public employment offices numbered more than 5.6 million. The November increase was the first recorded in 1939.

Unemployment benefit payments in November amounted to \$28.4 million, an increase of more than 6 percent over the total for October. Although the increase in November was relatively small, it stood out in sharp contrast with the sub-

stantial decreases which occurred in September and October. Increases were also reported for November in the number of initial claims for unemployment benefits received in the local offices of State employment security agencies. All but 13 States reported increases in the number of initial claims received during the month. The increase for the country as a whole amounted to 3 percent. Special reports to the Social Security Board indicated that the increases in both benefits and claims were largely seasonal in character.

Benefit payments under the railroad unemployment insurance program declined from \$977,000 in October to \$952,000 in November. The percentage decrease—less than 2 percent—is less than might be expected in the shorter month. The decline in claims receipts, which began late in September and continued in October, was reversed in November. The increase in applications for certification of benefit rights, which corresponds in general to initial claims in the State unemployment compensation systems, was especially marked.

THE AMOUNT of public assistance and earnings of persons employed under Federal work programs in the continental United States also increased slightly in November over the total for the preceding month. The November total of \$271.5 million, however, was only a little more than 1 percent above the amount for October, and was 16.6 percent below that for November 1938. Nearly every type of public-aid program shared in the November increase. Earnings of persons employed on other Federal work and construction projects and payments from State and local funds to general relief cases, however, declined slightly. Obligations incurred from Federal, State, and local funds for payments to recipients of old-age assistance, aid to the blind, and aid to dependent children amounted to \$48.2 million, or nearly 18 percent of the total for all types of public aid. The most substantial increase for November occurred in the amount of earnings of persons employed on work programs operated by the Work Projects Administration, which rose \$3.4 million to \$101.6 million.

Corresponding increases were reported for November in the numbers of persons and cases aided

under the several assistance and work programs. The estimated number of different households receiving public assistance or earnings from Federal work programs for the month rose to 6.1 million, or 2.4 percent more than the estimate for October. The households aided during November comprised 17.4 million persons.

FINAL PREPARATIONS were being made, as this issue of the Bulletin went to press, for the sessions of the White House Conference on Children in a Democracy to be held in Washington January 18–20, 1940. According to the program announced for the Conference, a general report was to be presented for consideration by the Conference at the first session. The report, which has been prepared by a research staff under the direction of Philip Klein, was to be presented by Homer Folks, Chairman of the Report Committee. This session was to be followed by a series of group meetings devoted to discussion of topical reports. The topics to be covered in this series were: The Family as the Threshold to Democracy, Economic Resources of Families and Communities, Housing the Family, Economic Aid to Families, Social Services for Children, Children in Minority Groups, Religion and Children in a Democracy, Health and Medical Care for Children, Education Through the School, Child Labor and Youth Employment, and Child Development Through Play and Recreation.

In the work of the planning committee for the Conference, and in the program of the Conference itself, emphasis has been placed on activities designed to put into practice present-day scientific knowledge for the benefit of children, rather than on further fact finding. Much of the research work which preceded the Conference consisted in correlation of various important studies that have been completed since the last conference was held in 1930, with the objective of crystallizing the findings of these studies into a workable program for the Nation. One subcommittee of the Conference was appointed to devote attention to follow-up activities to further the aims of the Conference. Mrs. Saidie Orr Dunbar, President of the General Federation of Women's Clubs, has been designated chairman of this subcommittee.

LIBERALIZING UNEMPLOYMENT COMPENSATION

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UNEMPLOYMENT COMPENSATION is now a Nationwide program. The year 1940 marks the first year in which benefits are payable in all States for a full year. It is important, therefore, that we review our progress in the light of basic principles and past experience in order to determine the extent to which the system performs the function for which it was designed.

Basic Principles

Unemployment compensation is—and should be—more directly related to economic and business conditions than any other form of social insurance. The very purpose of unemployment compensation is to build up funds during periods of relatively good employment to be available for the payment of benefits when industry fails to maintain employment. However, it must always be kept in mind that unemployment compensation is a form of *social* insurance—a form of *social* security—and that the primary objective of unemployment compensation is to pay benefits to unemployed workers. The collection of contributions and related tasks are the means by which this important objective is accomplished.

Unemployment compensation is a method of safeguarding individuals against distress for a certain period of time after they become unemployed. It is designed to compensate only employable persons who are able and willing to work and who are unemployed through no fault of their own. Instead of requiring that the individual's manner of living spiral downward until he has exhausted the last shred of his savings, credit, and the generosity of his relatives and friends and so reaches a point of destitution at which he is eligible for relief, unemployment compensation sets aside contributions during periods of employment and provides the qualified individual with benefits as an automatic right when he becomes unemployed.

The purpose of unemployment compensation is to provide some minimum protection when workers who are ordinarily employed become unemployed. It is not "relief" nor is it intended to meet all un-

employment under all conditions. The prime objective of unemployment compensation is to provide benefits to persons who become unemployed in normal times through ordinary changes in business conditions and also to provide the first line of defense during periods of unusual unemployment and severe business depression.

Unemployment compensation reserves are not designed to remain intact throughout the duration of a major depression of sharp intensity and long duration. In this respect unemployment compensation differs from old-age, survivors, or disability insurance. The life hazards (as distinguished from the unemployment hazard) must be looked at—from the standpoint of both contributions and benefits—over a long period of time. Unemployment compensation should not be financed or benefits paid with this concept of a "life time" in view. Unemployment insurance should operate in such a manner that over the period of the ordinary shorter swings of the business cycle income and outgo should balance. Of course, proper caution must be exercised in working out the interrelationships between contributions and benefits so that there is a safe margin of reserves to take care of unforeseen contingencies. Reasonable regard must be had for unusual developments and special circumstances in particular States because of economic and industrial variations. Nevertheless, there remains the fundamental necessity for all States to maintain a minimum set of benefit standards and for the progressive liberalization of all State laws.

Tax Reduction and Benefit Changes

During the last session of Congress there was a good deal of discussion concerning the possibilities of a reduction in the Federal unemployment tax. Sentiment for such tax reduction had developed because of the increasing accumulation of reserves in the State unemployment compensation funds.

The benefit formulas incorporated in the early State laws do not represent what were considered to be adequate unemployment compensation benefits to covered eligible workers for the duration of their unemployment, but represent benefits which it was estimated a 3-percent tax could

*Chairman, Social Security Board. This article is an extension of remarks made at the annual business meeting of the American Association for Labor Legislation, Philadelphia, Dec. 28, 1939.

carry. In an effort to assure solvency of State funds, much too large a safety factor was used in the benefit formulas. As a result, the benefit formulas devised in those early days were exceedingly conservative. Despite the fact that a recession occurred in the early months of 1938, benefit payments, except in a few States, were therefore lower than had been anticipated, and surpluses began to pile up in the State funds. If this early conservatism evidenced in the benefit formulas in State laws were to result in the freezing of these benefit formulas and the accumulated surplus funds were now used as an argument for tax reduction rather than as justification for liberalization of benefit payments, the very purpose of the unemployment compensation system would be nullified.

If the objectives of unemployment compensation are to be achieved there is no doubt that first and foremost benefits must be liberalized. Liberalization would result in more adequate benefit payments to individual workers and in larger total disbursements at the downswing of the business cycle. It is for these reasons that I should like to outline very briefly some of the more important changes which I believe should be made in the existing unemployment compensation laws of States whose revenues are sufficient to finance them. It should be borne in mind, however, that these suggested standards are not to be considered ideal but rather suggestions which may be immediately and practically considered. States with sufficient reserves and current income could well consider making their benefits still more adequate.

Suggestions Concerning Increased Benefits Under State Laws

1. *The waiting period should be reduced.*—In most States the waiting period is 2 weeks but in some States it is longer. This is a longer period than is required by any foreign unemployment insurance law. A 2-week waiting period means that the worker receives his first payment about the middle of the fourth week because the third week is the first compensable period. Now that the States have overcome most administrative difficulties in the handling of claims, the waiting period can well be reduced to 1 week. Available estimates indicate that a change from a 2-week to a 1-week waiting period would lead to an

increase of from 5 to 10 percent in benefit costs over a period of years. Every State, therefore, should be able to shorten its waiting period.

2. *A higher minimum benefit should be provided.*—In nearly half the States a minimum rate of less than \$5 is provided by law. This provision has resulted in some very small weekly payments for workers who have had limited earnings. In one State, for instance, two-thirds of all payments for total unemployment over a 3-month period were less than \$6 per week. It would be socially desirable to provide a minimum payment for total unemployment of at least \$5 per week in all States.

3. *The benefit rate should be increased.*—The benefit rate should reflect full-time earnings rather than earnings which are low because of past unemployment. A number of States are now using formulas for determining the individual wage basis which definitely tend to understate a worker's earnings for a week of full employment. This tendency should be corrected. Most State laws provide benefits approximating 50 percent of wages up to \$30 per week. In States in which funds are available, the rate might well be increased to 66⅔ percent, a rate which is in common use in workmen's accident compensation. The maximum weekly benefit rate might also be raised to at least \$20.

4. *The duration of benefits should be lengthened.*—Most State laws now provide that benefits will be paid for a period related to the past employment experience, with 16 weeks in any year as a maximum. At the outset it was thought necessary to limit duration in this way to avoid the risk of insolvency of some State funds. Recent experience, however, shows that the existing duration provisions of the State laws are greatly restricting the length of time during which benefits are payable. In one Middle Western State more than 75 percent of the claimants exhausted their benefits before obtaining reemployment. If experience in any State shows that sufficient funds are available, benefits might well be paid to eligible workers for a uniform maximum period of at least 16 weeks. There are undoubtedly other States which can pay benefits for an even longer period of time. In Great Britain the unemployment insurance system pays benefits for 26 weeks in any year to those who are eligible. *The duration of benefits is the most*

important single element in the benefit structure, and States which have large available reserves and excess income can well afford to concentrate their attention on this aspect of their benefit provisions.

5. Partial unemployment benefits should be paid.—

As of January 1, 1940, benefits for partial unemployment were not payable in six States although in one State, Massachusetts, such payments begin in October 1940. In many other States the payment of partial unemployment benefits is still in the preliminary stages. Unless such benefits are paid there is ample opportunity for the evasion of payments for total unemployment by providing inconsiderable part-time work. Every effort should be made to see that partial unemployment benefits are paid throughout the Nation.

*6. The eligibility and disqualification provisions should be reexamined.—*Recent experience indicates that certain aspects of the eligibility and disqualification provisions of the State laws have had the effect of seriously delaying and often limiting the payment of benefits. One of the great advantages of unemployment insurance is the quick and effective payment of benefits. Complicated formulas and various provisions

which tend to delay prompt payment ought to be eliminated as experience shows instances in which simplification may be achieved.

Future Developments

If our achievements are to be turned to advantage, we must continue not only to improve our techniques and administration but also to enlarge the scope of our operations.

The only permanent long-range program on the statute books today which attempts to cope with the problem of unemployment is the Federal-State system of employment security embodied in the social security program. It is imperative, therefore, that we strengthen and improve this permanent part of our program so that we can be building a stronger and better bulwark against the ravages of unemployment.

Important and far-reaching changes directed toward more socially desirable objectives were made in 1939 in the Federal old-age insurance program. The next immediate step in the evolution of our social insurance legislation is the improvement and liberalization of our unemployment compensation laws.

NOTES ON ADEQUACY OF UNEMPLOYMENT COMPENSATION

DANIEL CREAMER and MARVIN BLOOM*

PRESSING QUESTIONS arise within the unemployment compensation program as to the extent to which the present provisions of State laws serve to afford protection to the groups now covered.¹ This protection may be measured by the proportion of these workers who are eligible for benefits when they become unemployed; by the amounts and durations of the benefits for which workers actually qualify; and by the extent to which these benefits serve to bridge the gap between the time when the worker loses his job and that at which he finds another. Further questions of particular interest concern the relation between benefit payments under State laws and the State funds available for such payments.

This article presents certain data now available for 46 States² on the adequacy of unemployment compensation for workers now covered by State laws in relation to State funds available for benefit payments. In order to compare experience in States which did not begin benefit payment on the same date, benefits paid from January 1 to November 30, 1939, have been expressed as a percentage of contributions collected for the same 11-month period. In table 1 the States are arrayed in order of the ratio of benefit payments to contributions collected for the first 11 months in 1939, starting with the lowest ratio, i. e., the highest reserve in relative terms.

Incidence of Unemployment

If all States had collected the same percent of pay rolls, and if the benefit formulas had been identical in all States and had yielded a weekly benefit amount that was uniformly proportional to the full-time wage, the variation in the volume of unemployment among the covered workers in the several States would have been the sole determinant of the differential rates of increase of the reserve funds among the several States. Since all but nine States have the same rate of contribution,

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¹ A subsequent article will explore the role of unemployment compensation among all programs designed to prevent or offset distress occasioned by unemployment.

² Excludes Illinois and Montana where benefits were not payable until July 1939; South Dakota, where payments were suspended in the summer of 1939; Alaska and Hawaii.

the volume of unemployment probably remains the most important single factor affecting the reserve funds, although undoubtedly the variations in the benefit formulas have a significant bearing on the accumulation of reserves.

A close approximation of the incidence of compensable unemployment among covered workers in each State may be obtained by computing for each State the ratio of new authorizations from January 1 to November 30, 1939 (i. e., a close approximation of the number of different persons who drew benefits for at least 1 week during this period), to the number of covered workers. These ratios appear in column 3 of table 1. The median ratio is 15.7. Of the 23 States with the lowest ratio of expenditures to current income, all but 6 have had an unemployment ratio below the median, and in 3 of these 6 States employee contributions are collected. If these contributions had not been collected, these States would have a higher ratio of expenditures to current income. On the other hand, in 17 of the 23 States with the highest ratios of benefit expenditures, the unemployment ratio has equaled or exceeded the median.³

Benefit Amounts

The greater ratio of reserve accumulation in certain States is not, however, wholly the result of variations in the incidence of unemployment. Broadly speaking, the variation is also explained by the relative illiberality of the benefits paid in these States. For example, if a weekly benefit amount of \$6 be assumed as a reasonable minimum, since it is almost 50 percent of the minimum wage for a 42-hour week established by the Fair Labor Standards Act, it is illuminating to compare the percent of all benefit payments for total unemployment of less than \$6 that have been made in each State. These percentages, based on benefits paid in the quarter July-September 1939, appear in column 4 of table 1. Excluding California, New York, and Pennsylvania, where the minimum benefit amount exceeds \$6, such payments ranged

³ This relationship does not imply that contribution rates should be reduced in these States. In 9 of the 23 there has been only 1 year of benefit experience and that a year of revival in employment. State differentials in employment may well be altered in a year of recession.

from less than 1 percent of all payments for total unemployment in Michigan and Oregon to more than half the payments in Arkansas, Georgia, and Mississippi, and to two-thirds of the payments in North Carolina. The median percentage for such payments is 16.0. It is significant that in 16 of the 23 States with relatively large reserve accumulations the proportion of payments under \$6 exceeded the median; in 16 of the other 23 States with relatively small accumulations, the proportion of payments under \$6 was less than the median. In other words, most of the States that accumulated reserves at the highest rates during 1939 made the largest proportion of low weekly benefit payments in the third quarter of that year.

Despite the fact that many of the States which previously did not have an effective minimum benefit amount in their laws have introduced such

minimums in an effort to eliminate low benefit payments, in many cases this minimum is still extremely low. In North Carolina, for example, the minimum benefit amount is \$1.50; in 20 States the uniform or flexible minimum is less than \$5, and in 3 States there are still no minimums. In 17 States, \$5 has been set as the minimum. Since in many cases this \$5 represents more than 50 percent of the full-time weekly wage, inadequacy on this score might be said to be a problem of the inadequacy of the wage structure in the United States rather than of the benefit structure in the unemployment compensation system, especially if the assumption is made that the existing relationship between benefits and wages shall be maintained. However, it may well be that benefits should be greater than 50 percent of the full-time weekly wage, especially for the low-paid worker.

Table 1.—Ratio (percent) of unemployment benefits to contributions; of new authorizations to covered workers; of weekly payments under \$6 to all payments for total unemployment; of workers exhausting wage credits monthly to average compensable continued claims; of covered workers earning less than qualifying minimum amount to all covered workers, for 46 States¹

States (ranked according to ratios in column 2)	Ratio (percent) of—					States (ranked according to ratios in column 2)	Ratio (percent) of—				
	Unemployment benefits to contributions January–November 1939 ²	New authorizations January–November 1939 to covered workers ³	Number of weekly payments under \$6 to all payments for total unemployment July–September 1939	Workers exhausting wage credits monthly to average compensable continued claims June–November 1939 ⁴	Workers with 1937 wages ⁵ below qualifying minimum ⁶ for unemployment benefits to all covered workers ⁷		Unemployment benefits to contributions January–November 1939 ²	New authorizations January–November 1939 to covered workers ³	Number of weekly payments under \$6 to all payments for total unemployment July–September 1939	Workers exhausting wage credits monthly to average compensable continued claims June–November 1939 ⁴	Workers with 1937 wages ⁵ below qualifying minimum ⁶ for unemployment benefits to all covered workers ⁷
(1)	(2)	(3)	(4)	(5)	(6)	(1)	(2)	(3)	(4)	(5)	(6)
Median.....	48.9	15.7	16.0	28.6	.....	Tennessee.....	48.7	12.0	31.2	17.9	25
District of Columbia.....	19.4	8.4	29.4	38.0	.....	North Dakota.....	49.1	16.2	8.9	26.9	33
Wisconsin.....	22.7	9.8	4.0	50.4	.....	Arkansas.....	49.5	18.4	51.1	22.3	14
Missouri.....	25.5	13.0	27.1	36.1	.....	Minnesota.....	49.6	12.7	6.2	23.3	20
Delaware.....	27.9	18.0	18.3	32.1	21	Florida.....	49.9	14.5	27.0	40.1	27
Connecticut.....	29.1	16.2	3.3	33.7	10	South Carolina.....	50.6	16.1	48.1	14.3	26
Nebraska.....	30.7	13.5	18.4	35.9	28	Mississippi.....	51.9	15.7	57.4	29.0	.....
New Jersey.....	30.8	19.6	16.1	32.5	8	Washington.....	54.8	24.7	1.7	41.7	24
Vermont.....	34.3	9.9	26.3	18.9	.....	Rhode Island ⁸	56.0	27.3	3.8	34.3	9
Georgia.....	37.5	15.0	51.6	35.0	.....	Louisiana.....	57.4	15.4	39.7	30.4	16
North Carolina.....	38.2	10.2	66.0	12.7	23	Oregon.....	58.3	18.6	4	34.1	26
Ohio.....	38.3	12.2	10.2	19.0	.....	New York.....	59.1	15.7	(10)	30.6	12
Kansas.....	39.5	14.0	16.8	42.7	19	Utah.....	59.5	27.1	8.4	20.5	26
West Virginia.....	41.8	15.6	37.4	24.3	16	Iowa.....	61.3	14.7	16.6	32.2	.....
Virginia.....	42.0	13.3	34.0	30.0	9	Colorado.....	64.5	16.6	7.7	26.3	25
Kentucky.....	42.3	17.5	28.5	26.8	30	Arizona.....	65.6	17.2	4.5	34.2	.....
Texas.....	44.0	14.6	31.6	48.2	21	Pennsylvania.....	66.8	20.1	(10)	38.4	10
Maryland.....	44.7	11.8	16.3	19.2	19	Maine.....	68.0	20.9	39.4	11.1	23
California ⁹	45.3	19.3	(10)	25.8	30	Oklahoma.....	69.3	15.2	8.4	33.7	.....
New Hampshire.....	45.8	16.7	15.9	20.2	22	Wyoming.....	76.6	21.6	4.0	28.3	24
Indiana.....	47.2	11.1	3.0	22.4	18	Nevada.....	77.7	19.0	1.9	21.3	26
Alabama ⁸	47.3	14.6	37.0	26.2	13	Michigan.....	78.9	22.1	1	14.9	15
Massachusetts.....	47.7	13.3	10.3	75.0	13	New Mexico.....	80.3	15.9	12.4	20.3	22
						Idaho.....	105.9	12.4	10.9	27.5	29

¹ All data derived from reports of State employment security agencies except column 6, which is derived from wage records for Federal old-age insurance.

² Employer contributions of 2.7 percent except for District of Columbia and Michigan, where rate is 3 percent; New York rate is 3 percent for employers subject to State law but not Federal law; employers subject to Federal law pay 2.7 percent. Adjusted for fact that 29 States collected contributions quarterly, 8 States monthly, and 9 States changed from monthly to quarterly basis. In all States numerator is benefits charged January–November 1939 and denominator is contributions collected with reference to wages earned October 1938–September 1939.

³ Represents number of workers with wage credits as of June 30, 1939.

⁴ For explanation, see text.

⁵ Based on reported taxable wages for 1937 under title VIII of the Social

Security Act, which differ from those reported under State unemployment compensation laws. (See text.) Excludes 10 States for which computations could not be made.

⁶ Current qualifying provisions, State unemployment compensation laws. ⁷ Redetermination of benefit rights may prolong receipt of benefits during the benefit year. Hence, ratio for this State is slightly higher than it would be were redeterminations not made.

⁸ Employee contributions of 1.5 percent are collected in Rhode Island; 1 percent in Alabama, California, Kentucky, and New Jersey; and 0.5 percent in Louisiana.

⁹ State law provides a flat duration for all eligible claimants.

¹⁰ Minimum weekly benefit amount is more than \$6.

¹¹ Payments for part-total unemployment included with payments for total unemployment.

It is important that the benefit amount for a week of unemployment be related in some way to the wage that the worker would have received had he been employed full time during that week and not to a wage which has already been lowered because of a decrease in working hours. In an effort to approximate a full-time weekly wage, 35 States have adopted a formula which computes this weekly benefit amount as a percentage of highest quarterly earnings (usually $\frac{1}{4}$, $\frac{1}{3}$, or $\frac{1}{2}$), on the theory that the use of highest quarterly earnings, representing in most cases a period of full employment, would yield benefits related to the "full-time weekly wage." Four States (Maine, North Carolina, South Dakota, and West Virginia) have abandoned this principle, however, and compute the weekly benefit amount as a percentage of annual earnings. All available data indicate that most workers who file claims are not fully employed during the entire year preceding their period of unemployment, and therefore any weekly benefit amounts based upon annual earnings would, in fact, be governed by earnings which already include some unemployment. That is, use of annual earnings as the base has the effect of increasing the number of payments for smaller weekly benefit amounts.

This result is seen in the experience of these four States. In Maine, for example, weekly payments of less than \$6 during the period July-September 1939, the first full quarter in which the annual-earnings basis was used, represented 39.4 percent of the total, in contrast to 20.6 percent in the first calendar quarter of 1939, and to 16.4 percent in the third quarter of 1938. The comparable percentage for payments for small weekly benefit amounts in North Carolina was 66.0, in contrast to 53.0; in South Dakota 23.0 percent, in contrast to 16.7; and in West Virginia 37.4 percent, in contrast to 10.6.

Benefit Duration

Illiberality of the benefit formulas of States with relatively large reserves is indicated also by the available data on the duration of benefits. Unfortunately, information is now available for only a few States on the proportion of claimants who have exhausted benefit rights within their benefit year and the number of weeks for which such claimants had received benefits in that year.

It is important to note, however, that reports from Iowa and New Hampshire indicate that a very substantial proportion of claimants lose their rights to further benefits while still unemployed. Of the 20,729 claimants in Iowa who first received benefits in the 3-month period July-September 1938 (i. e., at the trough of the recession), 73.9 percent had exhausted their benefit rights within their benefit year. In New Hampshire 55 percent of the 25,813 claimants who first received benefits in the first 6 months of 1938, when the recession was deepening, exhausted their benefit rights in the ensuing benefit year; for these workers the median duration of benefits was 11.5 weeks.

Lacking such data for other States, we may use the expedient of an average monthly exhaustion rate which relates the number of exhaustions in the month to the average weekly number of compensable continued claims. Such a measure understates the proportion of workers who exhaust their benefits during a benefit year, since an average for a given time period is composed in part of those who have been drawing benefits for only a short period of time, i. e., those who only recently have been exposed to unemployment, a fact that reduces the chances of exhaustion. If, however, the varying time exposures to unemployment of recipients composing an average are about similar in each State, there is validity in State comparisons of the average monthly exhaustion rate. It is assumed that this condition is satisfied by an average of the compensable claims per week computed over a 6-month period beginning with June 1939, when all 46 States had at least 5 months of benefit experience. These rates are entered in column 5 of table 1.

It is clear that the higher the exhaustion rate ⁴ the greater is the inadequacy of the duration of benefits. Accordingly, it is significant that the States with the relatively large reserves tend to have the higher exhaustion rates:

Average monthly exhaustion rate (percent)	All States	States with relatively large reserves	States with relatively small reserves
Total.....	46	23	23
Under 25.0.....	16	8	8
25.0-34.9.....	18	7	11
35.0-44.9.....	9	5	4
45.0 and over.....	3	3	0

⁴ It should be remembered that these exhaustion rates relate to a period of substantial business recovery.

Thus 8 of these 23 States had an average monthly exhaustion rate of 35 percent or more, and in 3 of these the rate exceeded 45 percent. This situation is to be compared with that in the 23 States with relatively small reserves; in this group only 4 States had an exhaustion rate of 35 percent or more and none had a rate exceeding 42 percent.

The effect of a uniform duration on the exhaustion rate is pertinent. For the 46 States the median exhaustion rate was 28.6 but in 5 States which pay benefits for a uniform duration of 16 weeks (Maine, North Carolina, Ohio, South Carolina, and Tennessee) the respective exhaustion rates were 11.1, 12.7, 19.0, 14.3, and 17.9. In West Virginia, with a uniform duration provision of 14 weeks, the exhaustion rate was 24.3; and in New York, with a uniform duration of 13 weeks effective July 1, the exhaustion rate was 30.6. While several factors condition this comparison, among the more important factors must be placed the provision of uniform duration.

Eligibility Provisions

The relative ease or difficulty in qualifying for benefits also bears on the problem of adequacy. In column 6 of table 1 is presented the percent which workers covered by old-age insurance in 1937, with reported taxable wages below the minimum qualifying amount for unemployment benefits on the basis of current eligibility provisions⁵ of State laws, were of all workers receiving taxable wages in that year.⁶

Despite the conservative bias⁷ in our calculations,

⁵ Excludes 10 States for which computations could not be made; in 7, the qualifying provisions are expressed in terms of earnings as a specified multiple of the weekly benefit amount, and a fixed minimum weekly benefit amount is not provided in these laws; in 3, eligibility is based upon weeks of employment.

⁶ The difference between taxable wages reported to the Bureau of Old-Age and Survivors Insurance and those reported under State unemployment compensation laws is due largely to the fact that in most States unemployment compensation does not cover the smallest firms. This difference would affect the present comparison if, for a given occupation and industry, workers in the smallest firms were paid at a lower wage rate or sustained more unemployment than workers employed in the larger firms; or if, in industries in which the smallest firms predominate, annual wages per worker are less than in industries in which the larger firms predominate.

⁷ Even for a year of relatively full employment, these computations minimize the percent of workers earning less than the qualifying amount in many States. This follows from the requirement of eligibility in 6 States that specified amounts had to be earned in 1 or more quarters of the base period; and in 24 States, where the qualifying amount has been computed as a multiple of the minimum weekly benefit amount. Doubtless there are some workers who are entitled to a weekly benefit amount above the minimum but have insufficient earnings to qualify for such benefits though they could have qualified if their weekly benefit amount had been less.

tions, it should be noted that in three-fourths of the States at least 15 percent of the covered workers could not have qualified for benefits on the basis of these reported earnings, and in one-third of the States 25 percent and more of covered workers would have been ineligible had they become unemployed. Of course, if the number excluded were related to the number of covered workers who become unemployed in a given period instead of to the total number of covered workers with earnings, the percent disqualified because of insufficient earnings would be much higher.⁸

Conclusion

It appears, then, that most State systems that are currently accumulating relatively large reserves have been less successful in meeting the social objectives of the program as measured in terms of the size of the weekly benefit and exhaustion rate than have the States with the relatively small reserve accumulations. In the States where the reserve is relatively large, consideration of a reduction of contribution rates is precluded by the inadequacy of the program both absolutely and relatively; and in the States where the program is more adequate, the possibilities of a reduction in the contribution rate are restricted because of the comparatively narrow margin between current income and expenditures. Moreover, even in the latter group of States, there is need for more adequate provisions in an absolute sense. These considerations, with the important additional consideration that the differences in the rate of increase in the reserve funds of the various States is primarily conditioned by the differences in the volume of unemployment, suggest not only the need to maintain existing contribution levels but also the desirability of such a measure as a national equalization fund to enable all States to provide an adequate program of unemployment compensation without incurring risks of insolvency.

⁸ Reported disallowances due to insufficient earnings give an inadequate measure, since in some States local offices are instructed to discourage the filing of such claims and in others local offices are instructed to encourage the filing of all claims. Further, as workers learn the requirements, they refrain from filing a claim when they know their earnings have been insufficient to qualify them.

EARMARKING TAX FUNDS FOR WELFARE PURPOSES

EWAN CLAGUE and JOEL GORDON*

THE ASSESSMENT of special taxes, the proceeds of which are to be devoted exclusively to special purposes, is an increasingly familiar device adopted by legislators to finance governmental functions. Dedication of funds for specified purposes assumes so many different forms that no one term adequately describes the device. The term "earmarking" is used most frequently to express the direct relationship which exists between taxes and expenditures when the proceeds of special taxes are by law assigned exclusively to certain expenditures.

Special assessments on adjoining real estate for paving streets and constructing sewers and sidewalks are an accepted method for financing improvements. Special assessment for these purposes is based upon the benefit theory of taxation and may be regarded as an attempt to capture for the community some of the increase in land values arising from the new public utilities. Sometimes these special assessments are so definitive that the landowner is in effect buying his own share of the utility—a sidewalk, for example. The use of motor-vehicle and gasoline taxes for the building and maintenance of roads represents another form of earmarking in which the relationship between taxes and purposes for which expendable is not as direct, although it is assumed that the gasoline consumption of the automobile owner roughly corresponds to his use of the roads. The variation in motor-vehicle taxes in accordance with weight and size may be considered an example of the same general principle.

The principle of special taxation was applied on a large scale in the establishment of social security pay-roll taxes, both in old-age insurance and in unemployment compensation. In old-age insurance, the funds derived from both the employer and employee pay-roll taxes are paid into the general fund of the United States Treasury, but it is expected that the appropriations to the old-age reserve account (from which old-age insurance benefits are to be paid) will substantially equal the

receipts derived from these taxes.¹ The earmarking of taxes for unemployment compensation is even clearer, since all the money collected by the States must be deposited to the account of each State in the United States Treasury from which it can be withdrawn for one purpose only: the payment of unemployment compensation benefits in accordance with State law.²

Earmarking for Welfare Purposes Prior to the Social Security Act

Earmarking for welfare purposes differs from the types of earmarking cited, since it is not based upon the benefit theory. The assessment of special taxes for welfare purposes, particularly by local governments, has been practiced for many years, usually in the form of fixed mill levies on real estate for county or town poor relief. On the whole, however, funds for welfare work, especially at the State level, came from general revenues.

The great expansion in welfare funds made necessary by the depression required hard-pressed State and local governments to find additional revenues. Unable to finance relief from the general fund, legislatures and governors, when vested with adequate authority, at first "borrowed" and later "diverted" funds dedicated for other special purposes, such as highway construction.

In the beginning, diversion took a rather simple form. Some States adopted high gasoline taxes in the late 1920's to finance large-scale road-building programs. While other sources of revenue fell during the depression, the steady consumption of gasoline maintained revenues from gasoline taxes at relatively high levels. Not wishing to levy new taxes for relief purposes, some State legislatures decided to tap highway funds for relief purposes. Highway funds were appro-

¹ By the Social Security Act Amendments of 1939, approved Aug. 10, 1939, the old-age reserve account is replaced by the "Federal old-age and survivors trust fund," effective Jan. 1, 1940. Beginning with the fiscal year 1940-41, collections from pay-roll taxes are to be transferred automatically to the trust fund.

² The Social Security Act Amendments of 1939 authorize withdrawals for payments to the railroad unemployment insurance account in connection with the establishment of the railroad unemployment insurance system.

*Bureau of Research and Statistics. Paper presented at the National Conference of Social Work in Buffalo, N. Y., June 24, 1939.

priated directly for relief, or indirectly by using highway funds to purchase State bonds issued for relief. Thus, in the latter case, cash from gasoline taxes flowed out of the treasury in the form of relief although the highway fund itself was invested in State bonds.

Diversion of gasoline taxes from highway purposes was met by protests from tax-paying motorists, who insisted that the State by previous legislation had pledged itself clearly to use these funds for road-building and for no other purposes. To meet this complaint, State legislatures levied additional emergency taxes on these same objects instead of diverting the money from the existing gasoline and motor-vehicle taxes. These additional taxes were paid into the general fund of the States, from which they could be appropriated for relief or other purposes.³

Earmarking Since the Social Security Act

As the depression lengthened, State legislatures found it necessary to take steps to provide funds for public welfare on a more permanent basis. The use of emergency taxes, of bond issues, of borrowing from other funds or temporarily from the banks became more and more unsatisfactory as the years passed. The establishment of the Works Progress Administration by the Federal Government and the return of responsibility for general relief to the States forced the legislatures to devote thought to the long-run relief problem. Subsequently, the passage of the Social Security Act brought home to the States the necessity for providing permanently for their share in the support of the aged, the blind, and the dependent children included in the public-assistance program.

Faced with the problem of raising a substantial amount of new revenue, the States, and to some extent also the localities, began to devise new or additional types of taxation which would yield the necessary funds. Many of the States and localities earmarked these funds in order to ensure their availability for relief purposes. The objective in much of this earmarking procedure was in many ways laudable. Since State treasuries were frequently empty, there could often be no assurance that the appropriations which had been made for relief and welfare purposes would

at all times throughout the year materialize in the form of cash for payments to needy individuals. What then was more natural than that legislatures should earmark certain kinds of taxes to ensure that at least that much money would be available?

Federal agencies may have contributed unwittingly to this development through the operation of Federal grants-in-aid to the States. In the days of the Federal Emergency Relief Administration, 1933-35, persistent efforts were made by the Federal agency to get the States to contribute a reasonable share of the total relief cost, to prevent some States from placing the entire burden on the Federal Government. However, the effect of the Federal-State negotiations in such matters sometimes led to the development of earmarking in the State, since earmarking offered the easiest method for the State to pledge certain revenues for matching purposes.

The Social Security Act formally established a grant-in-aid system on a fixed matching basis for the special types of public assistance and thereby reduced the need for negotiation by the Federal Government with the States to assume part of the relief burden. The Federal agency (in this case the Social Security Board) was nonetheless under the necessity of obtaining pledges that State funds would be available for matching by Federal grants. The grant-in-aid procedure specified in the Social Security Act implies that State revenues need to be pledged for assistance purposes. The Social Security Act provides that the Board shall:

... prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter . . . , such estimate to be based on . . . a report filed by the State containing its estimate of the total sum to be expended in such quarter . . . , and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter . . .⁴

The Federal requirement concerning the availability of adequate State funds for the ensuing quarter may encourage earmarking as a device for giving assurance that such funds will be available.

Forms of Earmarking for Public Assistance Under the Social Security Act

Whatever the reasons, earmarking has become an accepted method for financing public assistance

³ For a detailed criticism of the justification and philosophy of this second type of diversion, see the *Annual Report of the New York State Tax Commission*, 1937, pp. 21-32.

⁴ Title I, sec. 3 (b) (1). Italics ours.

Table 1.—Sources of State and local revenues for public assistance, by program

Program	Number of States financing specified public-assistance programs			
	Total	From general revenues only	From earmarked revenues only	From earmarked and general revenues combined
State revenues:				
Old-age assistance.....	49	30	15	4
Aid to dependent children.....	41	28	10	3
Aid to the blind.....	41	26	12	3
Local revenues:¹				
Old-age assistance.....	23	13	9	1
Aid to dependent children.....	27	16	10	1
Aid to the blind.....	19	12	6	1

¹ No local financial participation provided in some States.

in the States. Although general revenues are used to finance a majority of the State programs for the special types of public assistance, State and/or local revenues are earmarked for at least one program in 25 of the 49 States.⁵ A detailed description of the sources of State and local revenues for each assistance program is contained in table 3.

Fifteen of the 49 States with plans for old-age assistance approved by the Social Security Board derive their State funds for old-age assistance entirely from earmarked revenues, 4 States from both earmarked and general revenues, and 30 States entirely from general revenues (table 1). In approximately the same proportions, the States with approved plans for aid to dependent children and for aid to the blind finance their programs in these ways.

In general, earmarking is more common at the local than at the State level. Of the 23 States with approved plans for old-age assistance which provide for local financial participation, local revenues for old-age assistance are derived entirely from earmarked funds in 9 States, from both earmarked and general revenues in 1 State, and entirely from general revenues in 13 States; in 26 States, local governments do not participate financially. The methods of financing aid to dependent children and aid to the blind at the local level are similar.

Thus, all or part of State revenues for public assistance are earmarked in 19 States and local revenues in 12 States. State revenues are earmarked for all three public-assistance programs

⁵ Forty-eight States and the District of Columbia. Data not available for Alaska and Hawaii.

in 10 States and for two programs in 3 States, without specifying the amounts for individual programs (table 3). Two States earmark the same State revenues for all three public-assistance programs but specify the proportions for each program. State revenues are earmarked for individual programs in the other 4 States which earmark State funds. Variations occur at the local level also. In 6 States, local funds are earmarked for all three forms of public assistance and in 3 States for two forms, without specifying the amounts for individual programs; in 3 States local revenues are earmarked for a single program.

Table 2.—Types of State and local revenues earmarked for each public-assistance program

Type of revenue earmarked	Number of States in which public assistance financed from specified earmarked revenues		
	Old-age assistance	Aid to dependent children	Aid to the blind
State revenues:			
Liquor taxes.....	10	7	8
Racing taxes.....	2	1	1
Sales taxes.....	8	8	8
Gasoline taxes.....	2	2	2
Head taxes.....	3	1	2
Inheritance taxes.....	2	2	2
Corporation taxes.....	3	2	2
Property taxes.....	2	0	0
Other ¹	5	4	4
Local revenues:			
Property tax—fixed mill levy.....	9	10	6
Other ²	2	1	1

¹ Included in "other" are the following: luxury, pool table, vending machine, advertising awards, storage or consumption of commodities, income, oil severance, coin-operated machines, amusement, and cigarette taxes.

² Included in "other" are the following: tax on personal property, tax on net proceeds of mines, beverage tax, sales tax.

Earmarking is applied both to funds for assistance and to funds for administering the program. All but three⁶ of the States which earmark State funds pay administrative expenses as well as assistance payments from these funds. The exact amount to be used for administration is not specified except in Colorado, Nebraska, Oklahoma, and Texas, where expenses for administration are limited to specified percentages of earmarked funds. Expenses of administration are paid from earmarked local funds in all but three States which have such earmarking; in Tennessee no local funds are used for administrative expense, and in Colorado and Maryland

⁶ Connecticut (old-age assistance and aid to the blind), Massachusetts (old-age assistance), and Wyoming (all 3 programs).

administrative expenses are paid from local general revenues.

The feature common to all the earmarking provisions which have been described is that the particular tax or taxes earmarked *must* be used for the purposes specified and for no other. It is not earmarking when the proceeds of a special or additional tax go into the general fund with the idea that the general fund will then be adequate to provide the expenditures authorized. Thus, the old-age assistance head tax levied in Vermont is not an earmarked tax despite its title. Old-age assistance payments in Vermont are charged to the general fund, but the proceeds of the head tax are not earmarked within the general fund for payment of old-age assistance and need not be used for this purpose.

Types of Revenues Earmarked for Public Assistance

The types of special taxes levied for welfare purposes are a matter of considerable significance. Liquor and sales taxes are earmarked most commonly at the State level and property taxes at the local level (table 2).

Taxes earmarked for public assistance fall into four major groups: (1) luxury taxes—liquor, racing, amusement, and cigarette taxes; (2) taxes on the general population—sales, head, and, to a more limited extent, gasoline taxes; (3) taxes on income of corporations and on inheritances; and (4) taxes on property. While earmarking of each of these types of taxes reflects the common problem with which legislatures were faced of discovering additional revenues to finance growing relief needs, different theories of taxation lie behind each group of taxes.

In placing emphasis upon luxury taxes, legislatures seem to have been influenced by what one might call the "sin" theory of taxation for welfare purposes. This notion stems possibly from the old Puritan idea that poverty was in many instances the result of drinking, gambling, and other such vices and that, therefore, those who indulged in these should contribute liberally to the care of the needy. However, this relationship becomes somewhat inverted in practice and has resulted in such slogans as the following, pressed upon the voters prior to elections: "Vote for the dog-racing bill and help our destitute fellow citizens."

The use of luxury taxes for welfare purposes may be defended on the more legitimate ground that such taxes are derived from surplus incomes of individuals—incomes which are left after family necessities have been provided. If this is the purpose envisaged, it may be accomplished in more direct fashion.

The enactment of sales taxes and head taxes to meet welfare costs raises a different type of question. The "regressive" character of these taxes, since they bear more heavily on the low-income and near-needy groups, is known to economists and tax experts, and the adoption of such taxes for general governmental purposes has been questioned by many. Levying of taxes of these types for welfare purposes often means that funds for the needy are being provided largely by the needy and low-income groups.

Earmarking of gasoline taxes reflects the practice already referred to of "diverting" to relief taxes previously earmarked for other purposes. Income and inheritance taxes have been earmarked for assistance in very few States. Property taxes constitute the major source of revenue for local governments. It was natural, therefore, that legislators who wished to assure the availability of local funds for assistance should establish mandatory mill levies on property to be devoted to relief purposes.

Effects of Earmarking

The desirability of earmarking as a fiscal device must be examined apart from the taxation theories underlying the specific taxes earmarked for public assistance.

Proponents of earmarking see in this device a means of assuring the availability of funds for welfare needs. In practice, however, earmarking has proved to be a double-edged weapon. When yields from earmarked taxes are high, adequate funds are available for relief. Yields of most taxes fluctuate with business and other conditions; some taxes are more sensitive to changing conditions than others. A fall in revenues earmarked for relief may wreak havoc with the relief program. Since this program has specific revenues assigned for its use, it has no claim on general revenues. The reduced tax base to which the relief program is related may result in violent fluctuations in revenues for relief.

Earmarking may cause the uneven development of one governmental function at the expense of others. Earmarking gasoline taxes for highway purposes has been responsible, in the opinion of many students of government, for disproportionate expenditures for highway purposes, to the detriment of other equally important governmental functions. Because of decreased revenues, many States curtailed governmental expenditures drastically during the depression. At the same time, highway departments in several of these States continued the relatively high rates of expenditures made possible by the relatively stable yields from gasoline taxes earmarked for their use.

Much the same situation has developed within the relief area. The programs for old-age assistance, aid to dependent children, and aid to the blind have been expanded in some States while at the same time expenditures on general-relief programs have declined for lack of funds. Earmarking is not solely responsible for this situation, but it unquestionably has contributed to it.

Colorado furnishes the most striking example of the effects of earmarking for old-age assistance upon other assistance and relief programs and upon other governmental functions as well. The State constitution (which can be altered only by a referendum of the voters) allocates to old-age assistance "85 percent of all net revenues accrued or accruing, received or receivable from any and all excise taxes now or *hereafter levied*" upon sales at retail or any other purchase transaction; upon the storage, use, or consumption of any commodity or product; upon all malt, vinous, or spirituous liquors (including license fees); and upon all inheritance taxes and incorporation fees appropriated for old-age pensions.⁷ The law further provides: "All monies deposited in the old-age pension fund shall remain inviolate for the purposes for which created, and no part thereof shall be transferred to any other fund, or used or appropriated for any other purpose."⁸ In other words, this amendment pledges 85 percent of a

significant segment of the revenues of the State to old-age assistance.

If the practice of earmarking is carried to its logical conclusion, each function of government will be financed from specifically designated revenues. A series of air-tight compartments will be established. Budgetary planning and control of all expenditures of State and local governments will become exceedingly difficult or even impossible. The legislature will have abdicated its function of reviewing proposed expenditures periodically and evaluating expenditures for each governmental function in relation to all others.

Conclusion

The development of earmarking for relief purposes has created a dilemma for welfare workers. Eager to obtain adequate funds for relief, they have been complacent in accepting earmarking, even if they have not actually promoted it. In the beginning, earmarking may have attained its objective of assuring revenues for meeting the relief problem. As time goes on, however, the advantages gained appear to be questionable. Earmarking may result in limiting the amount of funds instead of providing adequate funds. The welfare program cannot be planned properly because of the uncertainty of revenues. It can be planned more intelligently if all taxes levied flow into the general fund and all appropriations are made from that fund.

Although they have not been responsible for the selection of regressive taxes for public assistance, welfare workers cannot ignore the implications of these taxes. Regressive taxes which bear heavily on the lowest income groups will not constitute, in the long run, a sound basis for welfare programs in this country, to the degree that such taxes further reduce the incomes of those whose poverty or near-poverty the revenues are being used to alleviate. Welfare workers, therefore, might achieve their objectives better by supporting the establishment of well-rounded systems of taxation and by accepting the principle that the welfare program cannot be considered apart from the taxes used to finance it.

⁷ *Italics ours.* Constitution of Colorado, art. XXIV, sec. 2.

⁸ *Ibid.*, sec. 7.

Table 3.—Sources of State and local funds for financing payments to recipients of public assistance under plans approved by the Social Security Board, by States ¹

State	Program	Sources of State funds		Sources of local funds	
		General and/or earmarked revenues	Specific revenues earmarked	General and/or earmarked revenues	Specific revenues earmarked
Alabama	Old-age assistance. Aid to dependent children. Aid to the blind.	Partly from general revenues and partly from earmarked revenues.	Following revenue (less cost of collection) assigned to State Assistance Account: 10 percent of beverage tax. No part of account specifically earmarked for any single program. Expenses of administering programs also financed from account.	Partly from general and partly from earmarked revenues in all counties.	Following revenues (less cost of collection) assigned to general fund: (1) 10 percent of beverage-tax revenues returned to counties—earmarked for public welfare and/or public health; (2) 25 percent of 2 percent sales-tax revenues earmarked for public welfare and/or extension work. No part of fund specifically earmarked for any single program. Expenses of administering programs also financed from funds.
Arizona	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from earmarked revenues.	Special levy included in property tax by State Tax Commission, sufficient to produce amount estimated by State Department of Social Security.	No local funds.	No local funds.
Arkansas	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from earmarked revenues.	Following revenues (less cost of collection) assigned to Public Welfare Fund: (1) Luxury tax. (2) 15 percent of 2 percent sales tax. No part of fund specifically earmarked for either program. Expenses of administering programs also financed from fund.	No local funds.	No local funds.
California	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	Following revenues (less cost of collection) assigned to Public Welfare Fund: (1) Pool table tax. (2) Wine permits. (3) Wine permits. (4) 64.3 percent of liquor tax. (5) 22 percent of sales tax. (6) 33 1/4 percent of greyhound-racing tax. (7) 33 1/4 percent of horse-racing tax. (8) Advertising awards. No part of fund specifically earmarked for any single program. Expenses of administering programs also financed from fund.	No local funds.	No local funds.
Colorado	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from earmarked revenues.	Following revenues (less cost of collection) assigned to State Welfare Fund: (1) Retail sales tax. (2) Tax upon storage or consumption of commodities. (3) Excise and license fees on liquor. (4) Inheritance tax. (5) Corporation tax. After 5 percent of Welfare Fund is earmarked for administering programs, 85 percent of remainder earmarked for old-age assistance. 80/87 of remaining 15 percent earmarked for aid to dependent children, and 7/87 for aid to blind.	OAA: No local funds. ADC: Entirely from earmarked revenues in all counties. AB: Entirely from earmarked revenues in all counties.	OAA: No local funds. ADC: Following revenue assigned to Aid to Dependent Children Fund: Special levy on general property. Expenses of administering aid to dependent children not financed from fund. AB: Following revenue assigned to Aid to Blind Fund: Special levy on general property. Expenses of administering aid to blind not financed from fund.

¹ As far as possible changes resulting from legislation during 1939 have been incorporated.

Table 3.—Sources of State and local funds for financing payments to recipients of public assistance under plan approved by the Social Security Board, by States—Continued

State	Program	Sources of State funds		Sources of local funds	
		General and/or earmarked revenues	Specific revenues earmarked	General and/or earmarked revenues	Specific revenues earmarked
Connecticut.....	Old-age assistance. Aid to the blind.	Entirely from earmarked revenues.	Following revenue assigned to Old Age Assistance Tax Fund: Per capita tax. ¹ No part of fund specifically earmarked for either program. Expenses of administering programs not financed from fund.	No local funds.....	No local funds.
Delaware.....	Old-age assistance. Aid to dependent children.	Entirely from general revenues.	None.....	OAA: No local funds..... ADC: Entirely from general revenues in all counties.	OAA: No local funds. ADC: None.
District of Columbia.....	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None.....	No political subdivisions.	No political subdivisions.
Florida.....	Old-age assistance. Aid to the blind.	Entirely from earmarked revenues.	Following revenue (less cost of collection) assigned to Old Age Assistance and Aid to Blind Account: Beverage tax. No part of account specifically earmarked for either program. Expenses of administering programs also financed from account.	No local funds.....	No local funds.
Georgia.....	Aid to dependent children.	Entirely from general revenues.	None.....	No local funds.....	No local funds.
	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None.....	Entirely from general revenues in all counties. ¹	None. ¹
Idaho.....	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None.....	No local funds.....	No local funds.
Illinois.....	Old-age assistance.....	Entirely from general revenues.	None.....	No local funds.....	No local funds.
Indiana.....	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None.....	OAA and ADC: Entirely from earmarked revenues in all counties.	OAA and ADC: Following revenue assigned to County Welfare Fund: Special levy on general property. No part of fund specifically earmarked for either program. Expenses of administering programs also financed from fund.
Iowa.....	Old-age assistance.....	Entirely from earmarked revenues.	Following revenues assigned to State Old Age Assistance Fund: (1) Per capita tax. (2) First \$7 million of sales tax, income tax, and corporation tax. Expenses of administering old-age assistance also financed from fund.	AB: No local funds..... No local funds.....	AB: No local funds. No local funds.

	Aid to the blind	Entirely from general revenues.	None	Entirely from general revenues in all counties.	None.
Kansas.....	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from earmarked revenues.	Following revenue assigned to State Social Welfare Fund: \$3 million from State sales tax. No part of fund specifically earmarked for any single program. ⁴ Expenses of administering programs also financed from fund.	Entirely from earmarked revenues in all counties.	Following revenue assigned to County Welfare Fund: Special levy up to 3 mills on general property. No part of fund specifically earmarked for any single program. Expenses of administering programs also financed from fund.
Kentucky.....	Old-age assistance.	Entirely from general revenues.	None.	No local funds.	No local funds.
Louisiana.....	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from earmarked revenues.	Following revenues assigned to Public Assistance Fund: (1) Unspecified portion of selected sales tax. ⁴ (2) 50 percent of 2-cent gasoline tax. No part of fund specifically earmarked for any single program. Expenses of administering programs also financed from fund.	No local funds.	No local funds.
Maine.....	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None	OAA and ADC: Entirely from general revenues in all cities and towns. AB: No local funds.	OAA and ADC: None.
Maryland.....	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None	OAA and AB: Entirely from general revenues in all counties. ADC: Entirely from earmarked revenues in all counties.	OAA and AB: None. ADC: Following revenue assigned to Aid to Dependent Children Fund: 1-mill levy on general property. Expenses of administering aid to dependent children not financed from fund.
Massachusetts.....	Old-age assistance	Partly from general revenues and partly from earmarked revenues.	Following revenues assigned to Old Age Assistance Fund: (1) Liquor tax. (2) Dog-racing tax. (3) Horse-racing tax. Expenses of administering program not financed from fund.	OAA: Entirely from general revenues in all cities and towns.	OAA: None.
	Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None	ADC: Entirely from general revenues in all cities and towns. AB: No local funds.	ADC: None. AB: No local funds.
Michigan.....	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None	OAA: No local funds. ADC and AB: Entirely from general revenues in all counties.	OAA: No local funds. ADC and AB: None.

¹ The towns and cities are assessed by the State department, in accordance with their population, an amount sufficient to yield \$2,225,000 a year. If more is collected, the towns retain the balance.

⁴ Except \$75,000 which is earmarked for blind treatment and prevention.
⁵ A portion of sales-tax revenue allocated to Public Assistance Fund by Governor, and balance to State Hospital Board.

Table 3.—Sources of State and local funds for financing payments to recipients of public assistance under plans approved by the Social Security Board, by States—Continued

Sources of State funds						Sources of local funds	
State	Program	General and/or earmarked revenues	Specific revenues earmarked	General and/or earmarked revenues	Specific revenues earmarked		
Minnesota	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None	OAA and ADC: Entirely from earmarked revenues in all counties.	OAA and ADC: Following revenue assigned to County Welfare Fund; Special levy on general property. No part of fund specifically earmarked for either program. Expenses of administering programs also financed from fund.		
Mississippi	Old-age assistance. Aid to the blind.	Entirely from general revenues.	None	AB: No local funds.	AB: No local funds.		
Missouri	Old-age assistance. Aid to dependent children.	Entirely from general revenues.	None	No local funds.	No local funds.		
Montana	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None	Entirely from earmarked revenues in all counties.	Following revenue assigned to Poor Fund: 6-mill levy on general property. No part of fund specifically earmarked for any single program. Expenses of administering programs also financed from fund.		
Nebraska	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from earmarked revenues.	Following revenues assigned to State Assistance Fund: (1) Per capita tax. (2) Liquor tax (less cost of collection). (3) 1 cent per gallon of gasoline taxes. (4) Inheritance tax. No part of fund specifically earmarked for any single program. Expenses of administering programs also financed from fund.	No local funds.	No local funds.		
Nevada	Old-age assistance.	Entirely from earmarked revenues.	Following revenues assigned to State Old-Age Assistance Fund: (1) Sale of Old-Age Assistance Bonds. (2) Ad valorem tax upon all taxable property necessary to meet cost of old-age assistance. Expenses of administering program also financed from fund.	Entirely from earmarked revenues in all counties.	Following revenues assigned to County Old-Age Assistance Fund: (1) Sale of Old-Age Assistance Bonds. (2) Ad valorem tax on real and personal property, including net proceeds of mines, necessary to meet costs of old-age assistance. Expenses of administering program also financed from fund.		
New Hampshire	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None	OAA: Entirely from general revenues in all cities and towns. ADC and AB: No local funds.	OAA: None. ADC and AB: No local funds.		
New Jersey	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None	Entirely from general revenues in all counties.	None.		
New Mexico	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from earmarked revenues.	Following revenues (less cost of collection) assigned to Social Security Fund: (1) Liquor license and tax. (2) First \$455,000 of oil severance tax. (3) Corporation franchise tax.	No local funds.	No local funds.		

				No part of fund specifically earmarked for any single program. Expenses of administering programs also financed from fund.		
New York	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None.	None.	Entirely from general revenues in all counties.	None.
North Carolina	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None.	None.	Entirely from general revenues in most counties.	A few counties use liquor tax for welfare purposes.
North Dakota	Old-age assistance. Aid to dependent children. Aid to the blind.	Partly from general revenues and partly from earmarked revenues.	Following revenue assigned to State Public Welfare Fund: \$2½ million from sales tax. No part of fund specifically earmarked for any single program. Expenses of administering programs also financed from fund.	None.	OAA and ADC: Entirely from general revenues in all counties.	OAA and ADC: None.
Ohio	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None.	None.	AB: No local funds.	AB: No local funds.
Oklahoma	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from earmarked revenues.	Following revenue (less cost of collection) assigned to State Assistance Fund: Sales tax. 7.5 percent of fund earmarked for administering programs, 72.5 percent for assistance payments for aged, 17 percent for dependent children, 2 percent for blind, and 1 percent for crippled children and child-welfare services.	None.	OAA: No local funds.	OAA: No local funds.
Oregon	Old-age assistance. Aid to dependent children. Aid to the blind.	Partly from general revenues and partly from earmarked revenues.	Following revenue (less cost of collection) assigned to public-assistance fund: Liquor taxes. Expenses of administering programs also financed from fund.	None.	ADC and AB: Entirely from general revenues in most counties.	ADC and AB: None.
Pennsylvania	Old-age assistance. Aid to dependent children.	Entirely from general revenues.	None.	None.	No local funds.	No local funds.
Rhode Island	Old-age assistance. Aid to dependent children.	Entirely from general revenues.	None.	None.	OAA: No local funds.	OAA: No local funds.
South Carolina	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None.	None.	ADC: Entirely from general revenues in all cities and towns.	ADC: None.
South Dakota	Old-age assistance. Aid to the blind.	Entirely from general revenues.	None.	None.	No local funds.	No local funds.
Tennessee	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None.	None.	No local funds.	No local funds.
					Entirely from earmarked revenues in majority of counties.	Following revenue from 87 of 95 counties assigned to county public-assistance fund; Special levy on general property. No part of fund specifically earmarked for any single program. Expenses of administering programs not financed from fund.

* Bonds issued in amount of \$175,000 for period ended June 30, 1939.

† Revenues used for retirement of special bond issues and for current financing of program.

22 Table 3.—Sources of State and local funds for financing payments to recipients of public assistance under plans approved by the Social Security Board, by States—Continued

State	Program	Sources of State funds		Sources of local funds	
		General and/or earmarked revenues	Specific revenues earmarked	General and/or earmarked revenues	Specific revenues earmarked
Texas	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from earmarked revenues.	Following revenues (less cost of collection) assigned to Old Age Assistance Commission Fund: (1) 75 percent of coin operated machine tax. (2) Amusement tax. (3) Cigarette tax. (4) 75 percent of liquor license fees and liquor stamp tax. Expenses of administering program also financed from fund.	No local funds.	No local funds.
Utah	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from earmarked revenues.	Following revenue (less cost of collection) assigned to Public Welfare Fund: Sales and use tax. No part of fund specifically earmarked for any single program. Expenses of administering programs also financed from fund.	Entirely from earmarked revenues in all counties.	Following revenue assigned to county welfare fund: General property levy up to 5 mills. No part of fund specifically earmarked for any single program. Expenses of administering programs also financed from fund.
Vermont	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues. ^a	None.	OAA and AB: No local funds.	OAA and AB: No local funds.
Virginia	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None.	ADC: Entirely from general revenues in all cities and towns.	ADC: None.
Washington	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None.	Entirely from general revenues in all localities.	None.
West Virginia	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None.	Entirely from earmarked revenues in all counties. ^a	Following revenue assigned to County Welfare Fund: 3-mill levy on general property. ^a Expenses of administering programs also financed from fund.
Wisconsin	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from general revenues.	None.	No local funds.	No local funds.
Wyoming	Old-age assistance. Aid to dependent children. Aid to the blind.	Entirely from earmarked revenues.	Following revenue assigned to Liquor Commission Social Security Fund: Liquor tax. No part of fund specifically earmarked for any single program. Expenses of administering programs not financed from fund.	Entirely from general revenues in all counties.	None.
				OAA and ADC: Entirely from earmarked revenues in all counties.	OAA and ADC: Following revenue assigned to County Welfare Fund: 1-mill levy on general property. No part of fund specifically earmarked for either program. Expenses of administering programs also financed from fund.
				AB: No local funds.	AB: No local funds.

^a Receipts from old-age assistance head tax go into general fund.

^b If any balances remain after general relief costs are met from a 3-mill levy required in each county, State bills county for reimbursement of public-assistance payments made.

THE FINANCIAL PARTICIPATION OF THE FEDERAL GOVERNMENT IN STATE WELFARE PROGRAMS

DANIEL S. GERIG, JR.*

THE FEDERAL GOVERNMENT has been making grants-in-aid to the States for a number of decades. The amounts appropriated for the earlier grants were generally small and, with the exception of the grants for highways during the 1920's, the grants for single programs seldom exceeded \$10 million annually prior to 1933. Some of these earlier grants were given outright without any requirement as to the amounts the States should expend from their own funds. In other cases a requirement of this sort was included. Because the amounts involved were relatively small, the States rarely encountered difficulties in matching the Federal funds when that was a prerequisite for receipt of the Federal grant. The major financial problem, accordingly, was to devise a satisfactory allotment formula for apportioning the limited Federal appropriation among the States. In the earlier plans the allotment was characteristically based on such factors as population, area, miles of road, and the like. The early Federal grants-in-aid to States related only to a very limited degree to the financing of welfare programs such as health and public assistance or to programs in related fields such as education.

During the decade just ended both the number of Federal grants-in-aid programs and the dollar amounts involved increased markedly. Total Federal grants-in-aid to the States in the fiscal year 1937-38 amounted to \$633 million, a sum equivalent to about 20 percent of State tax revenues exclusive of receipts from taxes on pay rolls.¹ This total grant figure does not include Federal expenditures for local work-relief projects and similar programs, since payments under these programs are made not to State treasuries but directly to individuals. If these expenditures were added to the grants-in-aid, the percentage cited would obviously be much higher. Nearly all the new grants in recent years have been made in connection with State and local programs involving the provision of welfare services. Similarly, the major part of the increase which has

occurred in the total dollar amount of Federal grants has been occasioned by grants in the welfare field.

Three grants-in-aid programs in the field of welfare are now administered by the Social Security Board—assistance to needy persons over the age of 65, to needy blind persons, and to needy dependent children. Federal grants under the Social Security Act are also made to the States under titles V and VI by the Federal Children's Bureau, the United States Office of Education, and the United States Public Health Service.

A new and extensive program of grants-in-aid in the field of health is proposed in the national health bill introduced in the last session of Congress by Senator Wagner, based on the recommendations of the Interdepartmental Committee to Coordinate Health and Welfare Activities. Additional grants-in-aid in the field of education are included in the Federal aid-to-education bills introduced by Senators Thomas and Harrison and by Representative Larrabee in the first session of the 76th Congress. Hearings on both the health and education bills were held in 1939 before subcommittees of the Senate Committee on Education and Labor.

Because Federal grants-in-aid to the States in the welfare and related fields may become increasingly important in the future, the characteristics of such grants deserve careful examination. It is the purpose of this article to analyze some of the financial problems which arise when there is joint participation by the Federal and State governments in the costs of State and local welfare programs. Subsequent articles will deal with various special phases of the broader problems treated here.

The Fiscal Significance of Federal Grants for Welfare

The decline in national income, the large volume of unemployment, and the losses of accumulated savings which accompanied the onset of the depression created a greatly increased demand upon governments to increase the provision of

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¹ *Bulletin of the Treasury Department*, August 1939, p. 4.

welfare services. Traditionally, the function of providing these services—so far as it was a function of government—was lodged primarily with the local units of government and less frequently with the States. The intensity and persistence of the need for such services, however, eventually proved to be a financial burden which the localities and even the States did not appear to be able to support by themselves.

It became evident that the financial assistance of the Federal Government would be required if the needed services were to be provided on a basis that was at all adequate. The Federal Government had a relatively wider scope for taxation and more ample borrowing facilities than did other units of government. This combination of circumstances was one of the major factors which led to the enlarged participation by the Federal Government in the financing of welfare services.

The grant-in-aid was one of the fiscal procedures adopted for providing Federal financial assistance. The Federal grant-in-aid is a financial arrangement by means of which a portion of the costs of operating State and local welfare programs is transferred from State and local budgets to the budget of the Federal Government. It is evident that, if the volume of Federal grants-in-aid continues to grow, they may lead to significant changes in the budgetary trends of both Federal and State governments. Their further growth, also, would exert an important influence upon intergovernmental fiscal relationships, and particularly upon present practices with respect to the sharing of tax sources.

When a Federal grant-in-aid arrangement is established in connection with a welfare program, the actual operation of the program remains in the hands of the States and localities. The Federal Government shares in the cost in order to ensure that reasonably adequate provision can be made for the various needs to be met. If direct controls can be instituted to ensure that the jurisdictions receiving the Federal grants use them in an efficient and effective manner for the purposes for which they are intended, it is possible under some programs—provided it is otherwise desirable—to make the Federal grants without requiring the receiving jurisdictions to put up funds of their own as a condition for receiving the grant. Since it is

generally agreed, however, that administration should not be completely divorced from all financial responsibility, it has been considered desirable, when such direct controls are not possible, that the States also participate in the financing to ensure that the grants received are carefully spent.

In an examination of the significance of Federal grants-in-aid in the field of welfare from the standpoint of fiscal policy, it is important to call attention to another consideration. The Federal tax system includes taxes such as the income and estate taxes and the excises on luxuries, which are progressive in effect and which yield a substantial part of total tax revenues. Accordingly, the inhabitants of States in which income levels are higher contribute, on a per capita basis, a relatively larger portion of Federal revenues than do those of other States. Because of the extent to which State contributions to the general revenues of the Federal Government differ, the enactment of Federal grants-in-aid programs in the field of welfare leads to larger contributions to welfare services from those sections of the country which are better able to pay than from those with less ability to finance their own welfare services.

In the major aspects of contemporary economic life all sections of the country are interdependent, irrespective of the political boundaries of the States. Markets are Nation-wide, and business enterprises in each State draw their labor, their capital, and finally their profits from all parts of the country. It is this economic unity of the Nation which has led some to urge that the welfare of each section of the country is—in greater or lesser measure—the concern of all sections and that there should be some pooling of tax resources to meet welfare needs through levies in accord with ability. Those embracing this view believe that it follows that the welfare services available to some individuals should not be substantially less than those available to others simply because the recipients happen to live in different States. Under this approach the Federal grants-in-aid for welfare are regarded as a fiscal mechanism by means of which it is possible to ensure that reasonably adequate welfare services can be provided in each State irrespective of the resources which the several States may possess.

If larger and larger sums are to be expended by the Federal Government in the form of grants to

States for welfare programs, and if this fiscal mechanism is to be extended into new fields of welfare services, it is increasingly important to examine carefully the terms upon which the grants are made available to the States and the principles underlying their apportionment. Unless the formula for the distribution of the grants among the States is carefully drawn, it may operate in such a way as to nullify one of the primary results anticipated by many from establishing such grants. If those States which contribute relatively more heavily to Federal revenues receive back relatively the largest grants, the net result is that a good deal of money has flowed in and out of the Federal Treasury without rendering any assistance to those sections of the country with the greatest need. If the share of the total grants under all programs which goes to the wealthier States exceeds a certain point, it may mean that not only have such States received back all they contributed to Federal revenues but they may also have received a portion of the revenues contributed by the less wealthy States. If this point were ever reached, the Federal grant program would actually work in a manner contrary to that which many regard as desirable.

In view of these considerations it is now necessary to examine the extent of the differences in the financial resources of the States and the operation of the matching arrangement as affected by these differences.

Differences in the Financial Resources and Needs of the States

Numerous types of available data shed some light on the financial and economic resources of the States. Official figures can now be obtained which show the amount of income received by the inhabitants of the various States during yearly periods—including wages and salaries, profits, interest, dividends, rents, and all other types of income. These incomes are the sources out of which nearly all taxes must finally be paid and are, accordingly, an excellent measure of the financial resources of the States. Similarly, the wealth localized in a State gives some clue to its resources, although such wealth will aid continuously in taking advantage of the Federal grants only as it provides a current stream of income within the State from which taxes can be withdrawn. Expenditures in the form of retail purchases also

indicate indirectly the extent of the resources of the inhabitants of the State, although such expenditures naturally are conditioned by the level of income, and to some extent by special or local circumstances.

Table 1 presents the latest available figures indicating for recent years the average income, the average wealth, and the average retail sales of each of the States. The figures have been converted to a per capita basis in order that States of different population may be compared with one another. This table indicates that there are wide relative differences between the financial and economic resources of the various States, whether these are viewed from the standpoints of income, wealth, or consumption. The range between the highest and lowest per capita incomes of the States is from \$923 to \$207. The corresponding range for average wealth is from \$6,511 to \$736, and for average retail sales from \$444 to \$89.

The tabulations of taxable wages reported under old-age insurance confirm the belief that there are substantial differences in the economic levels prevailing in different States. On the basis of the earnings in covered employment reported for 1937, the mean taxable wage per employee ranged among the States from \$1,102 to \$413, and the median from \$1,059 to \$200.² The figures do not include wages in employments excepted from old-age insurance or wages from any one employer in excess of \$3,000, but they do bear out the general conclusion made here.

It is not the purpose of this discussion to explain why the differences in financial resources exist but merely to demonstrate the fact that they do exist. To study the causal factors which have been responsible for these differences would require exploration of such matters as the natural resources of the States, their geographic location, the extent to which the factors of production are combined more effectively in some States than in others, the extent and character of "absentee ownership," and other similar matters.

An examination of the economic differences among the States should include a consideration of the differences in relative need for welfare services as well as differences in financial resources.

² See Wasserman, Max J., and Arnold, John R., "Old-Age Insurance: Covered Workers and Average and Median Taxable Wages in 1937," *Social Security Bulletin*, April 1939, pp. 3-8.

The determination of need in this field is extremely difficult, whether it be the need for welfare services generally or for a particular type of welfare service. Since the need of an individual for public aid

Table 1.—Per capita income, wealth, and retail sales, and the ratio of children and aged to persons 18-64 years of age, by States

State	Per capita income 1937 ¹	Per capita wealth 1936 ²	Per capita retail sales 1935 ³	Ratio (per cent) of total persons aged 0-17 and 65 and over to persons aged 18-64, 1937 ⁴
All States ⁵	\$547	\$2,293	\$260	61.3
New England:				
Maine	494	2,323	275	68.8
New Hampshire	503	2,357	304	65.0
Vermont	445	2,258	263	68.7
Massachusetts	608	2,618	334	56.7
Rhode Island	692	2,795	323	58.4
Connecticut	767	2,935	324	58.3
Middle Atlantic:				
New York	859	3,885	368	49.8
New Jersey	620	2,209	285	54.1
Pennsylvania	580	2,742	247	62.6
East North Central:				
Ohio	625	2,395	292	58.5
Indiana	494	2,373	228	61.7
Illinois	643	2,580	278	52.7
Michigan	675	2,605	293	59.7
Wisconsin	565	2,700	300	63.4
West North Central:				
Minnesota	521	1,919	312	63.0
Iowa	427	2,590	257	64.3
Missouri	461	1,834	242	57.9
North Dakota	316	2,189	215	73.0
South Dakota	314	2,473	213	70.4
Nebraska	424	2,265	264	64.7
Kansas	435	2,174	239	63.9
South Atlantic:				
Delaware	923	2,554	300	60.1
Maryland	650	2,440	277	58.4
Virginia	358	2,017	179	72.6
West Virginia	409	1,536	183	76.4
North Carolina	285	1,265	136	82.3
South Carolina	261	1,165	135	83.3
Georgia	288	968	160	72.7
Florida	483	1,250	264	60.7
East South Central:				
Kentucky	295	1,198	136	75.0
Tennessee	298	1,298	171	69.6
Alabama	233	988	119	75.7
Mississippi	207	736	89	74.7
West South Central:				
Arkansas	212	770	120	73.7
Louisiana	367	1,253	162	68.1
Oklahoma	323	1,349	173	70.0
Texas	411	1,592	212	65.1
Mountain:				
Montana	590	5,628	357	60.4
Idaho	486	2,625	293	69.4
Wyoming	616	3,576	356	58.8
Colorado	568	1,963	285	61.3
New Mexico	417	1,654	210	78.1
Arizona	577	2,401	286	66.8
Utah	483	2,233	256	77.7
Nevada	911	6,511	444	50.7
Pacific:				
Washington	614	2,602	324	52.8
Oregon	570	2,583	333	53.5
California	837	2,742	388	47.2

¹ U. S. Department of Commerce, *State Income Payments, 1929-37*, p. 6.

² National Industrial Conference Board, *Economic Record*, Vol. I, No. 11 (Oct. 8, 1939), p. 124.

³ Total retail sales by States from U. S. Department of Commerce, *Census of Business: 1935, Retail Trade Survey*, p. 2. The amounts representing total retail sales have been divided by Bureau of the Census estimates of State population as of July 1, 1935.

⁴ Computed from the estimates of the number of persons in the 3 age groups made by the Division of Public Assistance Research, Bureau of Research and Statistics, Social Security Board, with the advice of the U. S. Bureau of the Census; estimates as of July 1, 1937.

⁵ Excludes Alaska and Hawaii.

stems basically from an absence of or deficiency in his income, however, it seems not unlikely that the need for some type of public aid is relatively greater in States where average income is low than in States where it is higher. There are, of course, important exceptions to this rule, particularly when the distribution of income within a State is substantially different from the patterns prevailing in most of the other States.

Differences among the States in the proportion of persons potentially eligible for public aid under a single welfare program limited to a specialized category are, of course, influenced by other factors as well as the income factor, such as differences in age composition. In programs involving the provision of some type of welfare service to children or the aged, for example, the varying proportions from State to State between the number of persons in these age groups and the number of persons in the intermediate age groups bear directly on the relative degree of need. Under such programs the number of children and aged constitute the potentially dependent group, while those in the intermediate age groups represent the "productive" group on whom the major portion of the burden of caring for the dependent group rests.

Table 1 also shows for each State the ratio of the population aged 0-17 and 65 and over to the population aged 18-64 in 1937. A comparison of the relative positions of the States on the basis of these percentages with their positions on the basis of per capita income reveals the interesting fact that in general the States with higher per capita incomes are those with a relatively low proportion of children and aged to the population in the intermediate age groups. The rankings in both series are in the same quartile for about two-thirds of the States; in the case of only one State are the rankings on the two bases in neither the same nor an adjacent quartile. In view of the two facts (1) that there is a close correspondence between the positions of the States with respect to both their average incomes and their dependency-productive group ratios, and (2) that the prevailing income levels in each State naturally will influence the proportion of the total number of persons in the "dependent" age groups who will need public aid, the differences in the per capita income figures of the States may be regarded as reflecting in a general way the relative variations in the needs of the

States for welfare services for children and the aged, in addition to indicating the relative financial resources of the States.

The Interdepartmental Committee to Coordinate Health and Welfare Activities has found a close association between poverty and sickness. Accordingly, the differences in the relative needs of the States in the field of health are also reflected in the variations in their per capita incomes. It is thus clear from the preceding discussion that, even in the case of welfare programs limited to a single category of persons, there is more than a negligible relationship between differences in the relative degree of need in the States and differences in their average incomes. The broader the category embraced, the more are variations in income levels likely to be reflected in the degree of need.

Effects of the Matching or Uniform-Ratio Requirement

In most of the welfare programs for which Federal grants-in-aid are made, the States are also required to participate in the cost. Typically this result has been accomplished by requiring the States uniformly to match (i. e., to furnish sums equal to) the Federal funds provided. In certain other instances in which a uniform percentage has been written into the statute, the Federal Government has confined its participation to some percentage below 50, as in the case of the program for aid to dependent children prior to the amendment effective January 1, 1940. No specific statutory requirement regarding the extent of State participation existed in connection with the grants-in-aid made by the Federal Emergency Relief Administration; this matter was left to the discretion of the administrator.

Under the matching and other uniform-ratio types of grant the decision concerning the extent of a State program is left to the State legislature. The Federal Government maintains simply a standing offer to advance one dollar (or whatever the ratio may be) for each dollar of State (or local) funds expended under an approved State program for purposes included in the statute establishing the grants. The enabling act authorizing Federal grants-in-aid for public assistance places no limit on the total amounts of Federal appropriations for such grants.

It has sometimes been assumed that the matching or uniform-ratio type of grant-in-aid would lead

automatically to an outflow of grants which would make possible reasonably similar levels of services in all States. So long as the amounts involved are relatively small, as is the case in some of the existing grants programs, the use of the uniform-ratio grant may achieve this result reasonably well. When larger programs are set up, however, such as the public-assistance plans under the Social Security Act, which involve State and local expenditures running to hundreds of millions of dollars annually, substantial differentials begin to appear in the relative amounts of grants going to different States. A cursory inspection of the volume of Federal grants to the States under the public-assistance program might yield the impression that these differences are entirely fortuitous—that there is no specific causal factor at work with which the differences may be correlated. Upon closer examination, however, it becomes apparent that, with some exceptions, the States which have been receiving relatively small grants are the States whose financial and economic resources are also relatively small.

It is obvious that the large differences in the population of the States are an important factor in explaining variations in the total volume of grants which the States have received under the public-assistance program. In order to take account of this factor and to convert the figures for grants made under this program to a comparable basis, it is necessary to divide total grants received by each State by the population of the State and to derive thereby the amount per inhabitant represented by the total grants. This has been done in table 2 which shows in the second column the amounts per inhabitant represented by total Federal grants to each State for old-age assistance, aid to dependent children, and aid to the blind since the inception of these grants in the first part of 1936. The States have been arrayed in the order of these per capita grants. The third column shows the average per capita income of each State in 1937.

This table indicates that many of the States which have received relatively small per capita Federal grants under the three public-assistance titles of the Social Security Act also have relatively low per capita incomes. Those States with the lowest per capita incomes, excepting in a few instances, have received relatively the smallest

volume of grants. About three-fourths of the States whose per capita grants are below the average for all States also had per capita incomes in 1937 which were below the national average.

The relation between grants received and financial resources as measured by income is by no means constant, and several States constitute striking exceptions to any general observation.

Table 2.—Per capita Federal grants¹ for special types of public assistance, February 1936–October 1939, and per capita income,² 1937, by States

States	Amount per inhabitant of total grants under titles I, IV, and X of Social Security Act, February 1936–October 1939 ¹	Per capita income, 1937 ²
All States ³	\$3.63	\$547
Colorado.....	19.80	568
Utah.....	12.59	483
Washington.....	12.23	614
California.....	11.70	837
Minnesota.....	11.03	521
Idaho.....	10.80	486
Massachusetts.....	9.72	698
Montana.....	9.60	590
Ohio.....	8.93	625
Oklahoma.....	8.45	323
Nebraska.....	8.13	424
Oregon.....	7.98	570
Arizona.....	7.87	577
Wyoming.....	7.83	616
Wisconsin.....	7.82	565
Nevada.....	7.25	911
Iowa.....	7.18	427
South Dakota.....	7.06	314
Indiana.....	6.19	494
Missouri.....	5.99	461
Maryland.....	5.81	650
Michigan.....	5.79	675
Illinois.....	5.46	643
Texas.....	5.22	411
Maine.....	5.14	494
Pennsylvania.....	4.95	580
Vermont.....	4.56	445
Connecticut.....	4.55	767
New York.....	4.44	859
New Hampshire.....	4.41	503
Florida.....	4.40	483
North Dakota.....	4.40	316
Louisiana.....	3.92	367
Rhode Island.....	3.66	692
Kansas.....	3.58	435
Delaware.....	3.43	923
New Jersey.....	3.42	623
New Mexico.....	3.39	417
West Virginia.....	3.38	409
Kentucky.....	2.09	295
Tennessee.....	2.04	298
Arkansas.....	1.87	212
South Carolina.....	1.66	261
North Carolina.....	1.59	285
Georgia.....	1.49	288
Alabama.....	1.47	233
Mississippi.....	1.14	207
Virginia.....	.42	358

¹ On a checks-issued basis as reported by the Office of the Commissioner of Accounts and Deposits of the U. S. Treasury Department. Population as of July 1, 1937, estimated by the Bureau of the Census.

² U. S. Department of Commerce, *State Income Payments, 1929–37*, p. 6.

³ Excludes Alaska and Hawaii.

Differences in financial resources cannot fully explain the variations in the extent to which States take advantage of the Federal offer to match funds. States may differ, for example, in their willingness to establish a comprehensive program of public assistance. The relatively smaller grants received by some States with high per capita incomes may reflect a lack of interest in welfare programs generally or a desire to concentrate funds in welfare programs other than public assistance. Similarly, States in which per capita incomes are low but which have received relatively large grants may be making a tremendous fiscal effort in connection with the public-assistance program alone, while devoting a relatively small portion of their financial resources to other welfare or related programs.

Moreover, the amount expended by a State for its public-assistance program is influenced by such matters as its general attitude regarding the degree of social responsibility for the care of needy persons, the extent to which relatives are held responsible for the support of the needy, the attitude regarding the proper relationship between levels of assistance payments and wages in the State, practices with respect to supplementation from general relief, whether the family or individual method of budgeting is utilized, and so forth. The comparison is also influenced by the length of time during which the States have had approved plans in operation, although delay in setting up such plans may itself reflect limited financial resources. Despite the existence of these other factors, however, the inverse relationship between per capita income and per capita grants in table 2 is sufficiently marked to suggest that differences in the financial resources of the States may have been one of the most important factors responsible for the variations in Federal grants for public assistance.

This experience under the public-assistance program indicates that, under any Federal grant-in-aid program in which the ratio of Federal financial participation in the costs of the welfare program is uniform for all States, the States with the largest resources will generally be able to make fullest use of the Federal grants. States with limited resources in relation to their population are unable to raise a substantial volume of funds by themselves and, accordingly, will be able to

use only to a more limited extent the Federal offer of participation. This situation will prevail whenever the percentage of Federal participation in the costs is uniform for each State—whether that percentage be 33%, 66%, or any other—and whenever the amounts of money involved in

Table 3.—Per capita income, 1937, and average amount of obligations incurred per recipient of old-age assistance and aid to the blind and per family receiving payments for aid to dependent children, by States, November 1939

State	Per capita income, 1937 ¹	Average amount of obligations incurred in November 1939 per—		
		Recipient of old-age assistance ²	Recipient of aid to the blind ²	Family receiving aid to dependent children ²
All States ³	\$547	\$19.23	\$23.23	\$31.81
Delaware	923	10.97		31.39
Nevada	911	26.61		
New York	859	24.60	25.24	49.29
California	837	32.89	48.16	43.19
Connecticut	767	26.15	24.04	
Rhode Island	692	19.17		46.26
Michigan	675	16.46	25.21	37.51
Massachusetts	668	28.67	22.71	50.39
Maryland	660	17.39	21.05	31.43
Illinois	643	19.89		
Ohio	625	22.82	19.41	38.22
New Jersey	623	20.12	22.90	29.87
Wyoming	616	23.25	27.63	31.60
Washington	614	22.06	30.29	29.81
Montana	590	17.93	20.66	27.40
Pennsylvania	580	21.69		35.42
Arizona	577	26.50	25.57	32.04
Oregon	570	21.35	25.34	39.92
Colorado	568	31.38	28.15	29.76
Wisconsin	565	21.61	22.91	38.20
Minnesota	521	20.80	26.35	35.18
New Hampshire	505	21.00	22.77	42.10
Maine	494	20.66	22.84	38.00
Indiana	494	17.51	20.06	27.71
Idaho	486	21.81	21.82	27.33
Utah	483	21.03	26.53	32.20
Florida	483	11.71	12.38	20.62
Missouri	461	18.94		19.29
Vermont	445	15.50	20.81	30.39
Kansas	435	18.77	19.64	27.61
Iowa	427	20.05	23.31	
Nebraska	424	14.48	19.70	24.31
New Mexico	417	13.12	16.58	24.62
Texas	411	8.61		
West Virginia	409	12.29	15.63	19.64
Louisiana	367	10.76	13.72	21.37
Virginia	358	9.66	12.63	21.36
Oklahoma	323	17.50	15.05	12.17
North Dakota	316	17.77	21.17	31.63
South Dakota	314	17.27	18.82	
Tennessee	298	10.04	11.01	18.31
Kentucky	295	8.67		
Georgia	288	8.09	10.02	20.41
North Carolina	285	9.93	14.85	15.24
South Carolina	261	8.15	10.75	16.28
Alabama	233	9.50	8.86	12.84
Arkansas	212	6.01	6.48	8.09
Mississippi	207	7.49	7.33	

¹ U. S. Department of Commerce, *State Income Payments, 1939-37*, p. 6.

² See monthly section of *Social Security Bulletin* entitled: "Public Assistance." Where no figure for a State is shown under 1 or more of the programs, the State has no plan in operation which has been approved by the Social Security Board.

³ Averages for all States include Alaska, District of Columbia, and Hawaii.

"complete" participation by the States strain the financial resources of the States where resources are relatively low.

It is evident that an arrangement which tends to result in relatively smaller Federal grants to the States with the smallest financial and economic resources eliminates what many have thought to be one of the major advantages of adopting the grants-in-aid device: namely, the pooling of the resources of the Nation to ensure that reasonably adequate welfare services are made available to all persons who are in need of them, irrespective of their place of domicile. The true inverse character of this process becomes still more apparent when account is taken of the fact that the States with smaller financial resources tend not only to receive small Federal grants but also frequently have a higher proportion of their population in need of governmental assistance than do other States. The relatively smaller amounts available from Federal as well as State and local sources in the States with smaller financial resources will inevitably result in correspondingly low levels of assistance payments under State programs.

In the light of these considerations, it is interesting to examine the average levels of payments which are currently being made under the public-assistance programs in each of the States. In table 3 the States have been arrayed according to their per capita income in 1937, the latest year for which data are available. In the adjoining columns are shown, as of November 1939, the average payments per recipient of old-age assistance and of aid to the blind in each State operating such programs, and the average amount per family represented by payments under the program for aid to dependent children. This table indicates that, with a few exceptions, the composition of the group of States with small financial resources is not very different from that of the group of States in which the current levels of public-assistance payments are relatively low. Although data for a single month may not represent a continuing situation and though the differences among the States in average payments are partially due to other factors, variations in financial resources must be regarded as a major causal influence.

At this point some may urge that lower costs of living are associated with States with low average

incomes and that, accordingly, the Federal grants to these States may justifiably be less, since smaller dollar payments to needy individuals in these States will provide levels of adequacy comparable to those in other States. It is extremely important in analyzing the validity of this argument to avoid confusing geographic differences in standards of living with geographic differences in the costs of identical goods. In States where the average income is small the average standard of living will generally be low also, since income controls directly what standard of living may be achieved. This does not mean, however, that the costs of purchasing the same quality and quantity of food, clothing, housing, and other necessities of life differ widely from State to State, or in the same or in similar proportions to differences in income.

Studies of costs of living do not indicate that there are large and clearly defined differences between one State or region and another in the costs of identical or equivalent goods.³ The extent to which the market for many products has become national in scope itself would indicate otherwise. Moreover, because of the diverse levels of consumption prevailing within any given State, it is very difficult to summarize the "cost of living" for one State in a single figure. To justify relatively small Federal welfare grants to States with low average incomes by the low standards of living in those States would appear to be in conflict with one of the basic purposes of Federal grants-in-aid.

To summarize the preceding discussion: There are wide differences in the financial and economic resources of the States. If the percentage of Federal participation in the financing of the costs of welfare services is uniform for each State, and if the absolute extent of that participation is conditioned by the funds supplied by the States, the larger per capita grants will generally go to the States with the greater resources, and the States with the smallest resources will as a rule receive the smallest per capita grants. This result prevents Federal grants-in-aid in the field of welfare from ensuring that reasonably adequate services are available to needy persons irrespective of the State in which they are living.

³ See, for example, *Monthly Labor Review*, Differences in Living Costs in Northern and Southern Cities, July 1939, pp. 22-38.

Methods of Increasing Federal Financial Participation for Some States

The preceding analysis raises the question whether a formula can be constructed for allocating Federal grants-in-aid among the States which will ensure that the combination of the Federal grant with State and local funds will be sufficient to finance adequate welfare services for the needy in each State.

One method of attaining this objective, of course, would be to retain the principle of a uniform percentage of Federal participation for all States and to raise this percentage to a point sufficiently high so that adequate sums might be available even in States with the smallest resources. This would necessitate the adjustment of the Federal percentage to the resources of the poorest State. It is not possible to specify just what this percentage would need to be, but it might conceivably fall somewhere between 75 and 90 percent. While this would result in generous aid in even the poorest State, it would also involve an increase in the ratio of Federal participation for all States and would obviously necessitate the inclusion of much larger amounts in the Federal budget for grants-in-aid for individual welfare programs.

If the Federal Government were to contribute as much as 75 to 90 percent of the total cost of a welfare program in all States, the effect would be practically to eliminate the association of financial responsibility with actual administration. In such a case it might appear simply a matter of ordinary budgetary prudence that the Federal Government should actually assume administration of the program since it provided the bulk of the funds, although other important factors would have to be weighed in reaching such a decision. Such a result would mean a sacrifice of the advantages of State and local administration. If the principle were extended to a sufficiently large number of programs, the Federal Government might be forced to draw upon State tax bases to a considerable degree in order to carry this additional financial burden.

Another approach which has been suggested is to abandon completely the principle of uniformity in the ratios of Federal participation in the various State programs and, instead, to establish a system wherein the percentage of Federal participation in

the financing of the costs varied from State to State.⁴ Under such a plan of "variable-ratio" grants, the percentage of Federal participation would be related to the significant differences in the resources of the States; the Federal percentages would vary inversely, and the State percentages directly, with the resources of the States when adjusted for population.

Under a plan of this sort, relatively low percentages of Federal participation would be assigned to States with large financial and economic resources in relation to their population. The relatively smaller Federal contribution, when added to the larger volume of funds which the States would be required to derive through their own tax systems, would presumably be sufficient to provide an adequate level of welfare services, or a level which was at least as close to adequacy as that achieved in other States. In contrast, in States with lesser resources the increased Federal grant would offset the relatively small amount of funds which the States obtain through their own tax systems, making it possible for such States to provide welfare services at levels of adequacy not much different from those of States with larger financial resources.

It should be emphasized that this variable-ratio plan would not require that the Federal grants-in-aid to States with limited resources be necessarily larger in absolute amount than those going to States with larger resources. It would merely provide that the share of the total cost of State welfare programs which would be covered by the Federal grant would be larger in the case of the former group of States than in the case of the latter. The States with large populations, even though their financial resources when expressed on a per capita basis were large, would continue to receive grants which, in absolute amount, might be many times as large as those which would go to States with smaller populations but only limited resources.

In contrast to the large increase in the Federal cost of a plan which would raise above 50 the percentage of Federal participation in all States, a system of variable-ratio grants would not necessarily lead to total Federal costs in excess of those occasioned by use of the traditional matching arrangement. The exact aggregate Federal cost

of a plan with such variable percentages would, of course, be dependent upon the range within which the percentages were allowed to vary and upon the response of the States to such percentages. It is likely, however, that a plan in which the Federal percentages varied between 33% and 66% percent, or between 25 and 75 percent, would result in total Federal outlays which would not exceed the outlays which result from the use of a formula in which the Federal Government uniformly bears 50 percent of the cost of the program in each State. The contrast is, in other words, between variable-ratio grants and uniform-ratio grants, and not necessarily between larger and smaller total Federal expenditures.

Attention should be called to the fact that the principle of varying the degree of financial participation by the granting jurisdiction in the programs of the receiving jurisdiction is not new to American fiscal practice. For many years a number of States have used such a principle, primarily in connection with highway and education programs, in the grants-in-aid which they have made to the municipalities and other subordinate jurisdictions within their own borders. Between one-half and two-thirds of the States currently endeavor to take account of ability as well as need in distributing a part or all of their school grants to subdivisions. It is probable that the motive underlying the establishment of this type of State-local arrangement in the past has been similar to what has been described above as one of the principal advantages of Federal grants-in-aid—the desire to ensure that the programs financed in this way would achieve a reasonable degree of adequacy in each of the subordinate jurisdictions. The system of variable-ratio grants discussed above would represent simply an extension of this widespread fiscal practice to the field of Federal-State financial relationships.

How Can Differences in the Resources of the States Be Measured?

If a plan of variable-ratio grants were adopted, one of its necessary elements would be the selection of an accurate index to measure the financial and economic resources of the various States. Fortunately, statistical measures are now available which adequately reflect these differences and which possess a reasonable degree of accuracy. In

⁴ See "Proposed Changes in the Social Security Act: A Report of the Social Security Board to the President and to the Congress of the United States," *Social Security Bulletin*, Vol. 2, No. 1 (January 1939), p. 17.

selecting among these measures, the primary consideration should of course be to select the one which most accurately reflects existing differences. A second consideration should be to select the most simple method of measurement which is satisfactory for the purpose at hand, namely, a single measure if possible.

It might be assumed that comparisons of current tax revenues of the States, when converted to a per capita basis, would provide the most useful measure for this purpose. The reasoning underlying this idea might be that the volume of taxes now being collected indicates better than anything else what proportion of the costs of their welfare programs each State can finance. This approach would possess more merit if all States were at the present time taxing themselves with equal intensity. This, however, is by no means universally the case.⁵ If the ratio of Federal financial participation were related in some way to existing tax yields, it is obvious that a State which had chosen in the past to tax itself heavily would be penalized, whereas a State now taxing itself relatively less heavily would receive a premium. Rewards and penalties of this type are not among the objectives of the plan outlined above. Since the various States are not exploiting their tax resources uniformly, it is necessary to use some more fundamental index than current tax yields and to undertake to measure the underlying financial resources of the States from which ultimately all taxes must be derived.

It has also been proposed that the average per capita income of the various States is the best and most equitable single measure which might be used as a basis for determining the Federal percentages in a variable-ratio grants plan.⁶ The income payments received by the inhabitants of the various States—including wages and salaries, interest, dividends, rents, profits, and all other types of income—when adjusted for differences in population, would appear to constitute an appropriate basis for determining the percentage of Federal participation which would be applicable to the various States. The income of the inhabit-

ants of a State represents the funds which are currently and actually at their disposal during a given time period. Furthermore, since taxes ultimately have to be paid out of income, income payments received are the best indication of the basic tax-paying ability of the States. A comparison of the average income of the different States, in addition, provides at least a rough measure of differences in the relative needs of the States for welfare services, since large welfare needs are ordinarily associated with small incomes, and vice versa.

Dissimilar distributions of the total incomes of the States among their inhabitants may affect to a degree both the extent of need indicated by the average income of the States and the readiness with which the States can tax such income. Assume, for example, that there are two States with the same total income and the same population; both, accordingly, have the same average or mean per capita income. Assume further that in one of the States there is a high concentration of income in relatively few hands and that in the other State the income is much more broadly distributed. In the first State, as a result of the concentration, the modal income as contrasted with the mean income is probably smaller than in the second State. Similarly, it is probable that more persons are in need of welfare services as a result of the lowness of their income in the first State, even though the average or mean per capita incomes of the two States are identical.

The availability for tax purposes of the two income totals is also different if generally similar tax systems are used in both States. Which type of distribution would yield the greater revenue would depend upon the type of tax used. For example, if major reliance were placed on a graduated income tax, the larger amount of taxes would probably be collected in the State where the concentration was greater. But if the tax revenues were derived mainly from a fixed-rate tax on incomes with moderate personal exemptions, the higher yield might be obtained in the State with the lesser concentration of income.

It should be noted, moreover, that the Federal tax system impinges somewhat differently upon the income of the inhabitants of various States to the extent that there are differences in the distribution of income. Both the Federal income and

⁵ See Wueller P. H. et al., *The Fiscal Capacity of the States: A Source Book*, 1938, Social Security Board, Bureau Memorandum No. 29, tables R-VII, R-VIII, and R-IX.

⁶ See Senate bill No. 2203 (76th Cong., 1st Sess.) introduced by Senator Byrnes; S. 1620 introduced by Senator Wagner; and H. R. 5736 introduced by Congressman Voorhis. See also Groves, Harold, *Financing Government*, New York, 1939, p. 619.

Federal estate taxes have a progressive rate structure, and accordingly they tend to extract relatively more from States where income is concentrated than from States where income is more widely distributed. Moreover, some Federal excise taxes are imposed on what are described as "luxuries," with the result that they represent a heavier levy upon the income of the inhabitants of some States than upon others.

The Federal taxes paid by the inhabitants of a State are compulsory levies from outside of the State, and the State itself has no jurisdiction over them. They represent a reduction in the income of the State, and, since the proportional extent of this reduction is not the same for all States, it might be desirable to adjust downward the State income figures to take account of Federal taxes paid. The adjusted figure would represent the amount of income or resources over which the States have effective jurisdiction for tax purposes.

There is no doubt that some differences actually exist in the distribution of income within the different States. Available data bearing on this point are, unfortunately, very fragmentary. Whether the distribution curves for the majority of the States are sufficiently dissimilar, however, to warrant a special adjustment to take account of such differences is questionable. Moreover, in connection with the allocation of Federal grants-in-aid among the States, it can be argued that the Federal Government need do no more than take account of the total income of the States in relation to their population; and that it is the responsibility of each State individually to decide how closely it is willing to adapt its tax system to its particular type of income distribution. In view of these considerations, it would appear that the State per capita income figures by themselves constitute, in principle, a reasonably satisfactory index for the purpose of variable-ratio grants.

Characteristics of State Income Data

The selection of the average per capita income of the States as the controlling factor in determination of the Federal ratios of participation in the costs of the welfare programs of each State appears still more appropriate when this series is compared with other statistical measures of State resources. Examination of other economic series which have the same broad coverage as the income figures indicates that, so far as the relative positions of

the States are concerned, the use of most of these other series would produce substantially the same results. This results from the fact that, basically, the alternative series measure economic variables which are eventually conditioned by incomes in the States.

Procedures for determining income are already well developed in the main. These methods have been improved over a period of years to the point at which successive revisions and adjustments in the data produce only minor changes in the results. The basic methods utilized and the components included in income have been the subject of analysis by economists and statisticians for a number of years, and there is substantial agreement concerning the major components which should be included in measuring such income. The Department of Commerce, which has been measuring national income for a number of years, has prepared official income figures for each of the States for the years from 1929 through 1937.

The sources of data used in determining income are extremely varied. To a considerable extent the figures are obtained through the use of data already assembled for other purposes. This ensures, among other things, that the results are objective and unbiased. Most of the data come from official Government sources. Basically, the figures are derived from sources which represent practically complete coverage in particular fields, such as the census of manufactures, the census of agriculture, the census of mines, the census of business, and the like. These censuses contain data both on pay rolls and on other types of income paid out by the various industries. Other data based on partial coverage or on samples, such as the Bureau of Labor Statistics indexes of employment and pay rolls, are especially valuable in preparing the figures for intercensus years.

The information reported to the Bureau of Internal Revenue in connection with its administration of the Federal income tax provides the primary source for the figures for such types of income as interest and dividends. The farm income figures are assembled by the Bureau of Agricultural Economics of the Department of Agriculture from the extensive volume of agricultural statistics collected by that Department. Income payments by railroads are available from the Interstate Commerce Commission, which obtains accounting reports from the railroads under

its jurisdiction. Pay rolls of the Federal Government are available from the Civil Service Commission. Official and comprehensive data are thus available for a high percentage of the total amount of income. The field of arbitrary decision in the preparation of the income figures is thus limited; and even in those areas where some decision must be made, guiding principles which suggest sound lines of choice have been generally accepted.

Table 4.—Frequency distribution of States¹ according to number of times ranking of annual per capita income changed from 1 year to the next by more than 2 places, 1929-37²

Number of changes of more than 2 places from 1 year to next	Number of States		Number of changes of more than 2 places from 1 year to next	Number of States	
	Single-year basis	3-year moving-average basis		Single-year basis	3-year moving-average basis
Total.....	48	48	4.....	3	0
0.....	19	33	5.....	0	0
1.....	12	9	6.....	0	0
2.....	6	3	7.....	0	(3)
3.....	8	3	8.....	0	(2)

¹ Excludes Alaska, District of Columbia, and Hawaii.

² Based on per capita income figures obtained from Department of Commerce, *State Income Payments, 1929-37*, p. 6.

³ When the 3-year moving average is used, data can be compared with respect to only 6 possibilities of change, since first year for which 3-year average can be obtained is 1931.

As a result of the considerations described above, the use of the per capita income of the States as the controlling factor in establishing the percentages which would be used under a variable-ratio plan of Federal grants-in-aid appears to many students of the subject as the most desirable choice. A reasonably good case might possibly be made for the use of certain other types of economic series in place of average income for this purpose. Both from the standpoint of the pertinence of the income series, however, and in view of the fact that it would tend to produce results not very dissimilar to those obtained by using other income series, it would appear that average per capita income is probably the best choice. Since the plan outlined above would fix the Federal percentage for each State separately instead of setting up a limited number of brackets within which States would be assigned, it is evident that any slight errors in the income figures would not substantially affect the Federal percentage assigned to any State. In other words, a small margin of

error in the figures could not push a State over a borderline into a bracket within which a much lower percentage applied. At the worst, such an error would cause simply a minor difference in the percentage of Federal participation assigned.

An analysis of the relative positions of the average incomes of the different States during the period 1929-37 indicates that there has been a high degree of stability in these positions. In other words, despite the fact that substantial changes have occurred from one year to another in the national income, there has been a tendency for the incomes of most States to change in the same direction and in somewhat the same proportional degree. Table 4 summarizes the shifts in the positions of the per capita incomes of the States during the period 1929-37. Shifts of only one or two places in State rankings from one year to another have not been included. The table gives a frequency distribution of the States according to the number of times (out of a possible total of eight) that the ranking of their per capita income has changed from one year to the next by more than two places. Per capita income in 19 States did not once change during the 9-year period by more than two ranks from one year to the next. Per capita income in 31 States did not so change more than once. None of the States so changed more than four times.

If a 3-year moving average of per capita income is used, the degree of stability in the ranking of the various States is increased still further. The rankings of the 3-year moving averages for 33 of the States did not during the entire period change by more than two places from one year to the next.

It is evident from this analysis that the use of State per capita income as a basis for variable-ratio grants-in-aid would result in a high degree of stability from one year to another in the percentage of Federal participation which would be applicable to each of the States. Where a real trend downward or upward was taking place in the average income of a particular State in relation to that of other States, the use of a 3-year moving average would not prevent this change from influencing the Federal percentage assigned to the State. The change would operate fairly gradually, however, except in years when catastrophic changes occurred in the relative income ranking of particular States. The vari-

able-ratio plan, therefore, would still permit States to plan the financing of their programs reasonably far in advance without being confronted suddenly with a large change in the percentage of their welfare expenditures which would be borne by the Federal Government.

It is hoped to examine in future articles some of the particular phases of the general principles outlined above. Among other matters, it is hoped to analyze at a future date the formulas incorporated in various Federal grants-in-aid plans now in operation; the nature, composition, and behavior of State income figures over time; the formulas which might be used for translating the average income figures of the States into variable Federal percentages; differences in the ranking of the States on the basis of per capita income and on the basis of other economic series; and similar problems. The purpose of the present article is to indicate the financial difficulties arising when the Federal Government participates at a uniform percentage rate in the costs of the welfare programs of all States, and to outline one method by means of which at least some of these difficulties might be surmounted.

In this, as in many other fields of activity, it may not be possible to achieve perfect justice in the sense of being able to establish a highly refined equilibrium between Federal grants, economic resources, and needs throughout the various States. The inability to achieve perfection, however, should not act as a deterrent against steps in that direction if the general objective is regarded as desirable. The average per capita income of some of the States, for example, is more than four times that of others. If it were decided at the outset of the introduction of a variable-ratio plan to confine the range of Federal financial participation within the limits of 33% and 66% percent, the use of this narrower range would not represent a step backward simply because it failed to remove all inequalities in the grants received by the different States. The very fact that some recognition had been given to differences in the financial and economic resources of the States would itself constitute a significant development in the field of Federal grants-in-aid, since it is evident from even this brief survey that systems of matching and uniform-ratio grants may have serious limitations.

A REVIEW OF STATE LEGISLATION RELATING TO MEDICAL SERVICES AND TO CASH PAYMENTS FOR DISABILITY, PROPOSED DURING 1939

MARJORIE SHEARON*

DURING 1939 the legislatures of 44 States (all but Kentucky, Louisiana, Mississippi, and Virginia) convened in regular session, and introduced about 200 bills relating to medical and hospital care or to cash benefits for disability. The bills dealt with (1) regulation of nonprofit hospital and medical-service corporations, (2) provision of medical care and cash payments for needy persons suffering from temporary or permanent disability, (3) establishment of State-wide medical services for the entire population, (4) establishment of compulsory health insurance, (5) inclusion within the framework of existing unemployment compensation laws of unemployment benefits for workers temporarily disabled, and (6) regulation of commercial health and accident insurance companies. All these bills were concerned either with the authorization of medical services or disability benefits to groups which previously had had little or no medical care at public expense or with the establishment or regulation of private plans for furnishing such services. With few exceptions, the bills that will be discussed relate specifically to new provisions for medical services or cash benefits to individuals suffering from temporary or permanent disability rather than to programs already authorized by law, such as aid to the blind, aid to crippled children, and maternal and child health.

Of 200 bills introduced, in the categories listed above, 65 were passed (tables 1 and 2). While pains have been taken to make this survey reasonably complete, some bills may have been overlooked. Another analyst might include in one of the categories here listed some of the 90 bills discussed later under Miscellaneous Provisions and so might arrive at different totals, although the grand total (page 50) would remain the same. The small percentage of bills passed is indicative primarily of opposition or indifference to the legislation. However, the discrepancy is also due to the fact that final action may be taken on but one of two companion bills introduced

simultaneously in both branches of the legislature or on the last draft of a succession of amended drafts each of which is designated by a different number.

More than two-fifths of the 65 bills enacted were in the field of nonprofit voluntary health insurance. A comparison of this type of legislation with that relating to social insurance and to other tax-supported medical services shows that action in State legislatures was directed primarily toward expansion of voluntary plans and secondarily toward provision of services for indigents. Legislation liberalizing tax-supported hospital and medical-care programs or authorizing compulsory health insurance either met open opposition or was allowed to die for lack of support. Legislative approval of measures providing tax-supported medical services was generally accorded only to bills drawn to fit within the framework of the old poor laws and was designed to provide services to indigents who could demonstrate their financial eligibility for public care by passing a means test.

A survey of all the legislative proposals made in the States indicates but little interest in the legislatures in preparing for a national health program or in providing medical services for any considerable part of the population. Bills authorizing State health departments or State welfare departments to cooperate with the Federal Government in developing State health programs usually failed of enactment, as did all bills providing cash benefits to workers unemployed because of illness. In only one State (New York) was legislation proposed to make medical services free to the entire population on the same basis as public education. The proposal was defeated. No State legislation was passed in favor of compulsory health insurance or of general medical care either for the entire population or for a major portion of the population. In this respect, there was a sharp contrast between discussion and activity at the State and Federal levels. As against the limited State proposals, the subjects of greatest interest in Congress with respect to health legisla-

*Bureau of Research and Statistics, Division of Health Studies.

Table 1.—Number and type of bills relating to medical services or cash payments for temporary or permanent disability proposed and enacted by State legislatures in session in 1939¹

State	Total number		Voluntary health insurance (nonprofit hospital or medical-care plans or both)		Medical care and cash payments for needy persons with temporary or permanent disability								Public medical care—no means test		Compulsory health insurance		Compensation for unemployment due to sickness		Regulation of private health and accident insurance companies	
					Medical assistance for needy persons		Assistance with permanent disability		Assistance (medical or cash or both) for tuberculous persons											
	Proposed	Enacted	Proposed	Enacted	Medical assistance for needy persons		Assistance with permanent disability		Assistance (medical or cash or both) for tuberculous persons		Proposed	Enacted	Proposed	Enacted	Proposed	Enacted	Proposed	Enacted		
					Proposed	Enacted	Proposed	Enacted	Proposed	Enacted									Proposed	Enacted
Total.....	1 200	65	62	27	64	22	6	0	17	2	4	1	4	1	9	1	10	1	24	10
Alabama.....	2	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arizona.....	1	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas.....	4	4	1	0	7	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
California.....	16	3	5	2	1	0	1	0	3	0	2	1	0	0	1	0	2	0	1	0
Colorado.....	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Connecticut.....	6	2	3	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Delaware.....	4	2	2	1	4	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District of Columbia.....	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida.....	13	5	3	1	4	1	0	0	2	0	0	0	0	0	0	0	0	0	6	3
Georgia.....	7	1	3	0	2	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Idaho.....	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Illinois.....	4	0	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indiana.....	5	2	1	0	4	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Iowa.....	2	2	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Kansas.....	2	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0
Maine.....	4	2	3	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maryland.....	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts.....	19	4	2	2	6	1	0	0	1	0	0	0	0	0	0	0	0	0	1	1
Michigan.....	4	4	2	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0	3	1
Minnesota.....	10	1	2	0	2	0	0	0	2	1	2	0	0	0	0	0	0	0	0	0
Missouri.....	2	0	1	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	2	0
Montana.....	3	1	0	0	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nebraska.....	2	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Nevada.....	3	3	1	1	2	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0
New Hampshire.....	3	3	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
New Jersey.....	3	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	1
New Mexico.....	3	2	3	2	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	1
New York.....	12	1	4	1	3	0	2	0	0	0	1	0	0	0	2	0	0	0	0	0
North Carolina.....	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ohio.....	4	4	2	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Oklahoma.....	4	1	1	1	3	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Oregon.....	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pennsylvania.....	14	4	4	2	4	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Rhode Island.....	2	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina.....	3	3	1	1	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tennessee.....	3	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas.....	3	2	2	0	2	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah.....	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vermont.....	3	3	2	2	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0
Washington.....	8	0	4	0	2	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0
West Virginia.....	3	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wisconsin.....	3	1	2	1	1	1	0	0	1	0	0	0	0	0	0	0	0	0	2	0
Wyoming.....	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

¹ Excludes Kentucky, Louisiana, Mississippi, and Virginia, in which legislatures were not in session.
² This total does not include two bills of broad scope cutting across several categories of legislative proposals: Assembly Int. 11-X, New York, extending life of Temporary State Commission to study and recommend means of promoting the health of all persons in the State (approved July 11, 1939), and A. 844A, Wisconsin, creating a committee on the cost of medical care (defeated July 7, 1939).

Table 2.—Cross-reference table.—New law citations for bills relating to medical services or cash payments for temporary or permanent disability passed by State legislatures during 1939

State	Bill No.	Citation	State	Bill No.	Citation
Alabama.....	S. 320.....	Act 491.	Missouri.....	H. 603.....	Laws 1939, p. 420.
Arkansas.....	S. 62.....	Act 127.	Montana.....	H. 125.....	Ch. 31.
	S. 404.....	Act 300.		H. 135.....	Ch. 129.
	S. 409.....	Act 333.	Nevada.....	A. 319.....	Ch. 195.
	S. Con. Res. 6.....	Omitted from Session Laws in error.	New Hampshire.....	H. 38.....	Ch. 106.
	H. 449.....	Act 310.		H. 232.....	Ch. 80.
California.....	H. 480.....	Act 249.		H. 327.....	Ch. 206.
	S. 1171.....	Ch. 895.		H. 342.....	Ch. 156.
	A. 610.....	Ch. 112.		H. 343.....	Ch. 92.
	A. 1117.....	Ch. 1070.	New Jersey.....	S. 280.....	Ch. 305.
	A. 1712.....	Ch. 523.	New Mexico.....	S. 30.....	Ch. 229.
Colorado.....	S. 93.....	Ch. 30.		S. 111.....	Ch. 65.
Connecticut.....	S. 57.....	Ch. 150.		S. 112.....	Ch. 66.
	S. 749.....	Ch. 185.	New York.....	S. 48.....	Ch. 2.
	H. 857.....	Ch. 338.		S. 1070.....	Ch. 608.
	H. 1084.....	Ch. 142.		S. 2205.....	Ch. 609.
	H. 1679.....	Ch. 277.		S. 2257.....	Ch. 893.
Delaware.....	S. 10.....	(¹).	North Carolina.....	S. 342.....	Ch. 325.
	S. 153.....	(¹).		S. 395.....	Ch. 332.
	S. 257.....	(¹).		H. 570.....	Ch. 470, Public—Local Laws.
District of Columbia.....	H. R. 6266.....	Pub. Law 395, 76th Cong.	North Dakota.....	S. 98.....	Ch. 187.
Florida.....	S. 214.....	Ch. 19,307.	Ohio.....	S. 181.....	(¹).
	S. 218.....	Ch. 19,306.		H. 290.....	(¹).
	S. 219.....	Ch. 19,305.	Oklahoma.....	H. 512.....	Ch. 24, Art. 15.
	S. 606.....	Ch. 19,267.	Oregon.....	S. 426.....	Ch. 494.
	H. 762.....	Ch. 19,108.		H. 419.....	Ch. 241.
	H. 1041.....	Ch. 19,909.	Pennsylvania.....	S. 317.....	Act 75.
	H. 1106.....	Ch. 20,034.		S. 677.....	Act 194.
	H. 2014.....	Ch. 19,421.		H. 418.....	Act 57A.
Georgia.....	S. 23.....	Act 56.		H. 640.....	Act 321.
Idaho.....	S. 1.....	Ch. 37.		H. 657.....	Act 383.
	S. 101.....	Ch. 136.		H. 685.....	Act 398.
	S. 139.....	Ch. 198.		H. 686.....	Act 399.
	H. 428.....	Ch. 206.		H. 1215.....	Act 40A.
Illinois.....	S. 178.....	Laws 1939, pp. 396-399.		H. 1580.....	Act 58A.
	H. 989.....	Laws 1939, p. 323.	Rhode Island.....	H. 583.....	Ch. 719.
Indiana.....	H. 74.....	Ch. 6.	South Carolina.....	S. 734.....	Gov. No. 438.
	H. 133.....	Ch. 44.		H. 575.....	Gov. Act 245.
Iowa.....	H. 136.....	Ch. 223.		H. 845.....	Gov. Act 660.
	H. 307.....	Ch. 222.	South Dakota.....	H. 47.....	Ch. 106.
Kansas.....	H. 454.....	Ch. 166.	Tennessee.....	H. 836.....	Ch. 102.
Maine.....	H. 931.....	Ch. 24.	Texas.....	S. 36.....	Act 207.
	H. 1433.....	Ch. 149.		S. 135.....	Act 113.
Maryland.....	H. 347.....	Ch. 528.		H. 191.....	Act 296.
	H. J. Res. 32.....	Res. No. 12.		H. 927.....	(¹).
Massachusetts.....	S. 493.....	Ch. 205.	Utah.....	S. 297.....	Ch. 86.
	S. 533.....	Ch. 312.	Vermont.....	S. 60.....	Act 175.
	S. 614.....	Res. Ch. 65.		H. 56.....	Act 127.
	H. 197.....	Ch. 125.		H. 68.....	Act 174.
Michigan.....	S. 130.....	Pub. Act 304.		H. 280.....	Act 134.
	S. 367.....	Pub. Act 283.	Washington.....	S. 47.....	Ch. 25.
	H. 145.....	Pub. Act 109.	Wisconsin.....	S. 281.....	Ch. 147.
	H. 166.....	Pub. Act 308.		S. 288.....	Ch. 118.
	H. 215.....	Pub. Act 108.		A. 194.....	Ch. 142.
Minnesota.....	S. 13.....	Res. No. 6.	Wyoming.....	S. 99.....	Ch. 88.

¹ Laws not yet published.

² Not printed in the Session Laws.

tion were Senator Wagner's proposed National Health Act of 1939 (S. 1620), the hearings on this bill, and the report to the Senate made by Senator Murray for the Committee on Education and Labor (S. Rept. 1139).

In the following discussion some of the more important provisions of the 1939 legislative proposals will be discussed. Considerable attention will be given to bills that were not enacted, for among the measures that lacked support or were openly opposed are a few which may ultimately be more significant than some that were passed.

Voluntary Nonprofit Health Insurance Plans

Prior to 1939 only 12 States had special enabling acts authorizing the incorporation of groups wish-

ing to establish nonprofit hospital plans. During 1939 thirteen additional States passed such legislation, bringing the total number to 25.² (See table 3.) Activity in this field has been marked. No other type of State legislation dealing with medical services has shown such concerted action by the legislators and such similarity in the provisions of the bills introduced in the various States.

During the year 1939, 62 bills were introduced in 29 States and the District of Columbia to authorize and regulate voluntary nonprofit health insurance plans; 27 of these bills were passed in 18

² There is no special enabling act for the District of Columbia, but in 1939 Congress passed a bill authorizing Group Hospitalization, Inc., which was already operating without special permission, to incorporate as a nonprofit hospital corporation.

States and the District of Columbia (table 4). In 11 States the legislators defeated all voluntary health insurance bills, including special enabling acts in 9 States³ which had not previously had such provisions on their statute books and amendments to existing legislation in 2 States⁴ which already had enabling acts. For the most part voluntary health insurance legislation has been confined to authorization and regulation of plans for hospital service rather than for general medical care. Enabling acts have stressed the philanthropic character of these plans and have exempted group hospital insurance corporations from taxes and from most of the provisions of State insurance laws. The State commissioner of insurance, however, is generally authorized to approve charters, reserves, and contractual agreements entered into by nonprofit hospital-service corporations.

Only one of the enabling acts passed during 1939 placed a ceiling on operating costs. In Texas these costs were limited to "15 percent of all dues or payments collected . . . subject to the . . . approval of the Board of Insurance Commissioners." In Connecticut, Florida, Iowa, Michigan, New Hampshire, New Mexico, Rhode Island, and South Carolina, approval of costs was left to some State agency or official, usually the commissioner of insurance, while in Maine, Ohio, Vermont, and Wisconsin, the new enabling acts contained no limitation on costs. An unsuccessful attempt was made in California (S. 548) to repeal certain sections of the Insurance Code relating to nonprofit hospital-service plans and to substitute regulatory sections more favorable to the corporations. It was proposed to amend the 1935 law, which had limited combined administrative and acquisition costs to 25 percent of the "aggregate amount of gross premiums actually received during the year," by increasing allowable costs to 40 percent of gross premiums the first year after incorporation, 35 percent the second year, and 30 percent thereafter. The bill was not enacted.

Similarly, the enabling acts of 1939, like those of previous years, contained limited or no statutory safeguards regarding the amount of a reserve fund.

³ Arkansas, Indiana, Minnesota, Missouri, Nebraska, Tennessee, Utah, Washington, and West Virginia.

⁴ Georgia and Illinois.

The California law of 1935 made specific provisions, but in many States the law does not mention such a fund. Enabling acts passed in 1939 did not provide for reserve funds in Connecticut, Iowa, New Hampshire, New Mexico, Rhode Island, South Carolina, Texas, Vermont, and Wisconsin, while in Maine and Michigan the new legislation authorized the insurance commissioner to determine the size of an adequate reserve.

During 1939 new enabling acts or amendments to existing acts showed a tendency to benefit or protect subscribers by a liberalization of the definition of hospital services and the inclusion of specific statements concerning the responsi-

Table 3.—State enabling legislation for voluntary nonprofit hospital service corporations

State	Date of enabling act	Citation
Alabama	Sept. 14, 1935	Gen. Laws 1935, Act No. 544; amended L. 1936, Act No. 169; amended L. 1939, Act No. 491.
Arizona		
Arkansas		
California	July 5, 1935	Stats. 1935, ch. 386.
Colorado		
Connecticut	May 23, 1939	S. 57.
Delaware		
District of Columbia ¹		
Florida	May 20, 1939	H. 762.
Georgia	Mar. 30, 1937	Acts 1937, Act No. 379.
Idaho		
Illinois	July 6, 1935	Sess. Laws 1935, H. R. 814.
Indiana		
Iowa	Apr. 12, 1939	H. 307.
Kansas		
Kentucky	May 31, 1938	Acts 1938, ch. 23.
Louisiana		
Maine	Mar. 30, 1939	H. 1433.
Maryland	Apr. 15, 1937	Sess. Laws 1937, ch. 224.
Massachusetts	June 23, 1936	Acts 1936, ch. 409.
Michigan	May 17, 1939	H. 145.
Minnesota		
Mississippi	Mar. 25, 1936	Laws 1936, ch. 177; amended L. 1938, ch. 195.
Missouri		
Montana		
Nebraska		
Nevada		
New Hampshire	Apr. 13, 1939	H. 232.
New Jersey	June 14, 1938	Laws 1938, ch. 366.
New Mexico	Mar. 8, 1939	S. 112.
New York	May 16, 1934	Sess. Laws 1934, ch. 595; amended L. 1935, ch. 320 and L. 1939, ch. 882.
North Carolina		
North Dakota		
Ohio	Apr. 12, 1939	S. 181.
Oklahoma		
Oregon	1917	Laws 1917, ch. 173, secs. 1-9; amended L. 1933, ch. 95, sec. 1, ch. 95, sec. 1.
Pennsylvania	June 21, 1937	Sess. Laws 1937, Act No. 378.
Rhode Island	Feb. 8, 1939	H. 583.
South Carolina	June 24, 1939	H. 845.
South Dakota		
Tennessee		
Texas	May 10, 1939	H. 191.
Utah		
Vermont	Apr. 7, 1939	H. 68.
Virginia		
Washington		
West Virginia		
Wisconsin	May 27, 1939	S. 288.
Wyoming		

¹ H. R. 6266, enacted by Congress and approved Aug. 11, 1939, is not a general enabling act but provides only for the incorporation of certain persons as Group Hospitalization, Inc.

Table 4.—Status of 1939 State legislation on voluntary nonprofit hospital and medical service corporations

State	Bill number	Scope	Date proposed	Final disposition
Alabama	S. 320	H ¹	July 28	Approved Sept. 16.
Arizona	S. 304	MC ² and/or H.	Feb. 9	Died in Senate.
Arkansas	S. 548	MC & H.	Jan. 23	Do.
California	A. 610	H.	Jan. 13	Approved May 5.
	A. 1712	H.	Jan. 24	Approved June 13.
	A. 2494	MC & H.	Jan. 25	Died in House.
	A. 2801	MC & H.	Jan. 25	Do.
Colorado	S. 57	H.	Jan. 12	Approved May 23.
Connecticut	H. 186	H.	Jan. 13	Withdrawn.
	H. 887	MC	Jan. 19	Approved June 20.
Delaware	H. R. 6266	H.	May 10	Signed by President Aug. 11.
District of Columbia	H. 74	H.	Apr. 11	Died in Senate.
Florida	H. 762	H.	Apr. 6	Died in House.
	H. 762	H.	Apr. 27	Approved May 20.
Georgia	H. 238	H.	Jan. 26	Died in House.
	H. 459	H.	Feb. 14	Do.
	H. 643	H.	Feb. 27	Do.
Idaho	S. 555	H.	June 6	Do.
Illinois	H. 977	MC	May 2	Do.
Indiana	H. 241	H.	Jan. 25	Pocket vetoed Mar. 11.
Iowa	H. 307	H.	Feb. 10	Approved Apr. 12.
Kansas				
Kentucky ³				
Louisiana ³				
Maine	H. 931	H.	Feb. 2	Approved Mar. 2.
	H. 1432	H.	Feb. 9	Withdrawn.
	H. 1433	H.	Feb. 9	Approved Mar. 30.
Maryland	H. 197	H.	Jan. 4	Approved Apr. 14.
Massachusetts	S. 533	H.	May 17	Approved June 26.
Michigan	H. 145	H.	Jan. 31	Approved May 17.
	H. 215	MC	Feb. 20	Do.
Minnesota	S. 1248	H.	Mar. 24	Died in Senate.
	H. 1367	(Same as S. 1248.)	Mar. 23	Withdrawn.
Mississippi ³				
Missouri	H. 620	H or MC	Mar. 10	Died in House.
Montana	507	H.	Mar. 29	Died.
Nebraska				
Nevada	H. 232	H.	Jan. 24	Approved Apr. 13.
New Hampshire	S. 111	H.	Feb. 8	Approved Mar. 8.
New Jersey	S. 112	H.	Feb. 8	Do.
New Mexico	H. 58	H.	Jan. 23	Killed in Senate.
	S. 1667	H, MC, or MI ⁴	Mar. 23	Died in Senate.
New York	S. 2257	H or MI	May 11	Approved June 16.
	A. 869	H & MC	Jan. 30	Killed in Committee.
	A. 1982	H or MI	Mar. 14	Died in House.
North Carolina	S. 104	MC	Feb. 8	Died in Senate.
North Dakota	S. 181	H.	Feb. 13	Approved Apr. 12.
Ohio				
Oklahoma	S. 732	H.	Apr. 26	Died in House.
Oregon	H. 685	MC	Mar. 21	Approved June 27.
Pennsylvania	H. 686	MC	Mar. 21	Do.
	H. 934	MC	Apr. 3	Died in House.
Rhode Island	H. 583	H.	Jan. 24	Approved Feb. 8.
South Carolina	H. 845	H.	Apr. 20	Approved June 24.
South Dakota				
Tennessee	H. 997	H.	Feb. 17	Died in House.
Texas	S. 127	H.	Jan. 31	Died in Senate.
	H. 191	(Same as S. 127.)	Jan. 23	Approved May 10.
Utah	S. 176	H & MC	Jan. 31	Died in House.
	S. 177	H & MC	Jan. 31	Do.
Vermont	S. 60	MC	Mar. 16	Approved Apr. 14.
	H. 68	H.	Jan. 24	Approved Apr. 10.
Virginia ³	S. 131	H.	Jan. 25	Died in Senate.
Washington	S. 311	H & MC	Feb. 10	Do.
	H. 199	H & MC	Feb. 1	Died in House.
	H. 209	H.	Feb. 1	Do.
West Virginia	S. 107	H.	Jan. 31	Do.
Wisconsin	S. 288	H.	Mar. 17	Approved May 27.
	A. 519	H.	Mar. 21	In Committee.
Wyoming				

¹ Hospitalization.
² Medical care.

³ No session.
⁴ Medical indemnity.

bility of contracting hospitals to furnish services. That is, the subscriber who joins a group hospital association is now assured in some States that he will receive hospital care even if the association subsequently finds itself financially unable to meet its obligations to the contracting hospital.

Prior to 1939 "hospital services" were generally defined negatively and by indirection. Definitions followed the dictum of the House of Delegates of the American Medical Association that in group hospitalization plans "the subscriber's contract should exclude all medical services—contract provisions should be limited exclusively to hospital facilities."⁵ State laws have emphasized what hospital services should *not* include rather than what they should include. Thus, the Georgia enabling act of 1937 provides that nonprofit hospital service corporations—

shall not contract to furnish to the member a physician or any medical services, nor shall said corporation control or attempt to control the relations existing between said member and his physician, but said corporation shall confine its activities to rendering hospital service only through such type of hospitals as are in this Act specified, without restricting the right of the patient to obtain the services of any licensed doctor of medicine; and any hospital, which shall contract with such corporation for the furnishing of hospital care, shall accept a member or subscriber of said corporation with the physician of his choice in charge of his treatment at such hospital.

The Kentucky law defines hospital service as "meaning only hospital care without medical attention" (sec. 2089L-5, Acts 1938).

In 1939, presumably in anticipation of some form of national health legislation, certain legislatures passed liberalizing amendments to their insurance codes or welfare laws as these related to group hospitalization plans. This was done in California where "hospital services" may now—

include any or all of the following services: maintenance and care in hospital, nursing care, drugs, medicine, physiotherapy, transportation, material appliances and their upkeep, and indemnification of the beneficiary or subscriber for the costs and expense of professional medical service rendered during hospitalization.

New York likewise amended its membership corporation law and its cooperative corporation law to permit a hospital-service corporation and a medical-expense indemnity corporation to issue a combined contract providing for hospital service

⁵ *Journal of the American Medical Association*, Vol. 109, No. 18, Oct. 30, 1937, p. 65B.

and medical-expense indemnity, but neither corporation alone is permitted to issue a contract providing both service and indemnity. In other words, the person seeking insurance against the total cost of hospitalization will be able to secure it from two types of nonprofit corporation. This legislation is a step in the direction of more complete voluntary health insurance provision for that part of the population which can afford it.

Despite liberal legislation in California and New York, Wisconsin in 1939 provided that all contracts between a hospital-service corporation and a subscriber "shall provide for hospital service only and shall not embrace medical services." (Laws 1939, ch. 118, approved May 27, 1939.) Similarly the new Texas law provides—

that such corporations shall not contract to furnish to the member a physician or any medical services, nor shall said corporation contract to practice medicine in any manner . . . but said corporation shall confine its activities to rendering hospital service only through such type of hospitals with whom it has contracts, without restricting the right of the patient to obtain the services of any licensed doctor of medicine. (Laws 1939, p. 123.)

The Iowa enabling act of 1939 states that "Hospital service is meant to include bed and board, general nursing care, use of the operating room, use of the delivery room, ordinary medications and dressings and other customary routine care." Under the 1939 enabling act in Vermont, existing hospital-service associations are authorized not only to fulfill old contracts but to enter into new ones to provide "medical, surgical and nursing as well as hospital services."

The organized medical profession, especially through State and county medical societies, had a considerable influence on voluntary health insurance legislation during 1939. Much of the original opposition of the profession to group hospitalization and medical-care plans has recently disappeared and has been replaced by marked activity in favor of such plans. While most of the activity has been directed toward extension of enabling legislation for group hospitalization plans, some attention has been given to developing similar legislation for group medical-care plans. In 12 States 21 bills were introduced authorizing nonprofit plans under one or more of the following categories:

1. Medical care alone;
2. Medical care or hospitalization;

3. Medical care and hospitalization;
4. Hospitalization or medical-expense indemnity;
5. Medical-expense indemnity, medical care, or hospitalization.

Six of the bills were enacted. Five authorized nonprofit plans for medical care alone (Connecticut, Michigan, Pennsylvania (two bills), and Vermont), while one authorized plans providing hospitalization or medical-expense indemnity (New York).

It should be noted that the newly enacted California law (A. 1712), amending the insurance code as it relates to nonprofit hospital-service plans, approaches the New York hospitalization or medical-indemnity law (S. 2257) in scope. The California statute, while not including indemnity for medical services in the home, does go so far as to extend the definition of hospital services to include "indemnification . . . for the costs and expense of professional medical services rendered during hospitalization." The California law thus stands midway between the customary hospital-service enabling act and one which authorizes voluntary nonprofit plans for either hospital service or medical indemnity. In no State has legislation been passed authorizing combined nonprofit hospital and medical-care plans. Nine bills of this type introduced during 1939 failed of enactment.

Enabling legislation passed in Michigan (H. 215) provided that a majority of the directors of a nonprofit medical-care corporation should "be at all times persons approved by the officers of the medical profession duly organized to promote state-wide the science and art of medicine." A corporation so authorized was empowered to "accept from governmental agencies payments covering all or part of the cost of subscriptions to provide medical care for needy persons." Similarly, in Pennsylvania two bills (H. 685 and 686) were approved on June 27, 1939, giving broad powers to doctors of medicine in the control and administration of nonprofit medical-service corporations. The new laws provide that a majority of the members of the board of directors of such corporations "shall at all times be doctors of medicine." An innovation in this type of legislation is found in the provision that relief officers of State and local governmental agencies in Pennsylvania may use pub-

lie funds to purchase, from privately owned and operated medical-service corporations, subscriptions providing medical-care services to recipients of public assistance. Both the Michigan and Pennsylvania acts are noteworthy because they authorize welfare authorities to purchase subscriptions for the needy in medical-service corporations. Under this authorization public funds may be expended to enroll the needy in privately controlled medical-care corporations operated under the auspices of State or county medical societies.

In Connecticut a bill (H. 857) was approved on June 20, 1939, authorizing the State and county medical societies jointly or severally to incorporate for the purpose of operating a medical-service corporation. A nonprofit medical-care enabling act passed in Vermont (S. 60) provided that three or more members of the State medical or dental societies or of the county medical societies might organize a medical-service corporation.

Summary.—During 1939 thirteen States passed enabling acts authorizing the incorporation of nonprofit group hospital-care associations. The Federal Government approved the incorporation of Group Hospitalization, Inc., in the District of Columbia, but did not pass a general enabling act. Twenty-five States now have special enabling acts applying to group hospitalization. During 1939 legislation was enacted in four States authorizing the formation of nonprofit medical-care corporations. In one State enabling legislation applied to the organization of nonprofit hospital-care or medical-indemnity plans.

Under these laws groups of doctors, hospital directors, welfare workers, and other persons interested in organized efforts to solve the joint economic problems of the producers of medical services and the consumers of those services are authorized to incorporate as charitable, benevolent corporations. Being defined as nonprofit corporations, they are generally exempt from taxation and from all but a few provisions of State insurance laws. Most enabling acts either fail to limit administrative and acquisition costs or leave the determination of "reasonable costs" to some State agent—generally the commissioner of insurance. These nonprofit voluntary health insurance corporations are required to submit annual reports to the State and to have their books available for inspection by State authorities, but such inspection is generally not mandatory on the

State agency and in some States is required only once in 3 years. Few statutes provide for the establishment of reserve funds to guarantee the financial ability of the corporations to meet their contractual obligations, but the commissioner of insurance or other State agent may require such reserves at his own discretion. Laws authorizing group hospital-service plans generally exclude physician's services in accordance with the policy of the organized medical profession.

Medical Care and Cash Payments for Needy Persons With Temporary or Permanent Disability

Legislation providing tax-supported medical services and cash payments for disabled persons has been directed almost exclusively toward persons who could demonstrate need under the poor laws. The majority of bills proposed and passed in this field during 1939 provided medical assistance for needy persons in general rather than for special groups such as needy tuberculous or permanently disabled persons.

Medical Assistance for Needy Persons

The term "medical assistance," as used in this paper, is defined to mean medical services, including hospitalization, physician's services, nursing care, drugs, laboratory tests, or appliances, furnished by organized public or private agencies to persons who are unable to pay for such services and who receive them after passing a "means test" or test of financial eligibility. Medical assistance is administered as a form of relief usually by public welfare officials who are charged with responsibility for the care of indigents or by private welfare agencies cooperating with voluntary hospitals. Recipients of medical assistance prior to the depression of the 1930's were generally the "chronic poor" or indigents who were entitled to meager medical services under the poor laws. During the past decade many persons who were not indigents in the strict legal sense and who would not have applied to welfare authorities for food, clothing, or shelter found themselves unable to meet the costs of medical care. These persons have sometimes been referred to as the "medically needy," although the term is also used in a more general sense to designate all persons who are unable to pay for medical services in whole or in part.

In recent years some States have broadened their concept of public responsibility for persons in need to include not only those in need of the so-called necessities of life but also those requiring hospital care and other medical services. The public welfare law of New York State, as passed in 1929 and successively revised during the depression period, exemplifies the more liberal attitude toward provision of public medical care which is emerging within the framework of public welfare legislation. The New York law is as follows:

Responsibility for providing medical care.—The public welfare district shall be responsible for providing necessary medical care for all persons under its care, and for such persons otherwise able to maintain themselves, who are unable to secure necessary medical care. Such care may be given in dispensaries, hospitals, the person's home or other suitable place. (Laws 1929, ch. 565, art. X, as amended by ch. 494, Laws 1935.)

During 1939 State legislatures were unusually active in proposing measures dealing with some phase of the study or administration of medical assistance to needy persons. Sixty-four bills were proposed in 26 States, and 22 were passed in 15 States (table 5). The proposals included provision for a survey of the health needs of the needy in Massachusetts, creation of a State Department of Hospitalization and Medical Care in Texas, new and broader definitions of public assistance in Pennsylvania and Oregon, and specific provisions of medical-care services either for all indigents or for particular categories, such as the blind, the aged, and "indigents injured on highways."

The bills which failed to pass because of legislative opposition or veto by the governor indicate, as clearly as those which were enacted, some of the present attitudes toward progressive health legislation. The Arkansas legislature, noting that "many persons in the State of Arkansas are now suffering from sickness and disease because of their inability to obtain hospitalization and medical care and attention," proposed a bill (S. 496) providing that "any person whose income, or that of his family, does not exceed thirty dollars (\$30.00) per month from all sources, may, upon application to the County Welfare Director" be certified as eligible for hospitalization and medical care. Furthermore, the bill authorized the State Department of Public Welfare "to cooperate with the Federal Government

in matters of mutual concern pertaining to the free medical treatment and hospitalization of indigent sick persons." Children and expectant mothers were placed in a preferred class and were to "be given preferential treatment when and where necessary." This bill was passed by the State legislature, but was vetoed by the Governor on March 18, 1939.

That the need for funds for public medical care existed in Arkansas is indicated by the fact that "funds for providing free hospitalization and medical care for the indigent sick . . . became exhausted on December 15, 1938," according to Senate Concurrent Resolution No. 6 adopted on January 17, 1939. Nearly a month passed before the House introduced a bill (H. 480) appropriating \$50,000 for hospitalization of the indigent sick and stating "it is found by the General Assembly that great suffering and in many instances unwarranted deaths are arising in this State because of lack of funds for proper hospitalization of the State's indigent sick." This bill was finally approved by the Governor on March 10, 1939, nearly 3 months after funds for hospital and medical care for indigents had been exhausted.

In California an effort to pass legislation enabling the State to cooperate with the Federal Government, if and when a national health bill should be enacted, met with failure. On January 24, 1939, Assembly bill 1874 was introduced providing for public medical care for needy persons and placing upon the State Department of Public Health responsibility for "control or administration of all public medical-care activities, including preventive, diagnostic, and treatment services and care for all types of physical illnesses and defects." The State Department of Public Health was authorized to "cooperate with the Federal Government in matters of mutual concern pertaining to medical care" and to assume responsibility for the establishment and administration of a comprehensive, coordinated State and local program of public medical-care activities. The bill died in the House.

Efforts to make more adequate provision for the medical needs of persons receiving old-age assistance failed in Connecticut (S. 875 and H. 1335) and Ohio (H. 37). One of the Connecticut bills proposed that the State "provide reasonable medical and hospital care for beneficiaries who are in need of such care," while the Ohio bill proposed

Table 5.—Scope and final disposition of bills relating to medical assistance introduced in State legislatures in session in 1939¹

State	Bill No.	Scope	Final disposition
Alabama	H. 1002	Provides hospital care for indigents; authorizes cooperation with Federal Government.	In Committee.
Arizona	H. 276	Prescribes residence qualification for medical assistance.	Died in House.
Arkansas	S. 260	Creates health and welfare funds, including State special welfare fund for hospital and medical care of indigents.	Do.
	S. 367	Regulates expenditures for medical care and hospitalization of persons employed on State and Federal projects.	Died in Senate.
	S. 469	Provides for public welfare fund; appropriates for hospitalization of indigents.	Approved, Mar. 16.
	S. 496	Provides hospital and medical care for indigents.	Vetoed, Mar. 18.
	S. Con. Res. 6	States funds for hospital and medical care for indigents are exhausted.	Adopted, Jan. 17.
	H. 449	Authorizes taxes for hospitalization of indigents and for other health purposes.	Approved, Mar. 15.
	H. 480	Makes supplemental appropriation for hospitalization of indigents.	Approved, Mar. 4.
California	A. 1874	Empowers Department of Public Health to cooperate with Federal Government and provide medical-care services.	Died in House.
Colorado	S. 162	Provides assistance, including hospitalization, for needy aged.	Died in Senate.
Connecticut	S. 875	Provides medical care for recipients of old-age assistance.	Do.
	H. 1335	Provides medical and hospital care for recipients of old-age assistance.	Died in House.
Delaware	S. 10	Makes appropriation for relief of indigent sick of New Castle County.	Approved, Apr. 24.
	S. 257	Amends law providing for relief and care of indigent sick of Sussex and Kent Counties.	Approved, May 4.
	H. 397	Makes appropriation to State Board of Health for surgical treatment for indigents.	Stricken from calendar, Apr. 13.
Florida	H. 482	Provides State-wide relief and medical assistance for indigents; appropriates money therefor.	Vetoed, May 15.
	S. 501	Authorizes county tax levy for maintenance of hospital for indigents.	Died in House.
	S. 589	Requires certain municipalities to provide venereal disease treatment for indigents.	Died in Senate.
	H. 795	Relates to hospitals and homes for indigents.	Died in House.
	H. 1041	Authorizes Board of County Commissioners of Martin County to provide medical and hospital care for indigents.	Approved, May 19.
Georgia	S. 23	Authorizes counties to levy tax not exceeding 1 mill for medical and hospital care of indigents.	Approved, Feb. 21.
	H. 123	Authorizes counties to levy unspecified tax for medical and hospital care of indigents.	Died in House.
Illinois	S. 9	Relates to old-age assistance and provides from \$5 to \$15 per month for medical services.	Died in House.
	H. 624	Revises pauper law of 1874; restricts authorization of expenditures for medical services and burial of paupers.	Do.
Indiana	H. 74	Provides medical and surgical care and hospitalization for indigents.	Approved, Feb. 15.
	H. 133	Relates to poor-relief laws and payment of free medical and hospital care.	Approved, Mar. 7.
	H. 213	Amends poor-relief laws governing application for emergency medical and hospital care.	Died in House.
	H. 467	Provides that township trustees shall pay for hospital care including services of attending physician for indigents in tax-supported hospitals.	Do.
Massachusetts	S. 466	Provides for commission to study old-age assistance law and benefits to crippled and totally disabled persons.	New Draft, S. 614.
	S. 614	Essentially the same as S. 466.	Approved, Aug. 12.
	H. 856	Provides for survey of health needs of the needy by a special commission.	Killed in House and Senate.
	H. 1277	Authorizes towns to compensate physicians for services to needy persons not in institutions.	Do.
	H. 1416	Authorizes towns to compensate physicians "registered with the department of civil service" who render services to needy persons not in institutions.	Next General Court.
	H. 1419	Amends law relative to reimbursement of cities and towns by the Commonwealth for hospital care for certain needy persons.	Do.
Michigan	S. 130	Amends Afflicted Adults Act which provides hospital and medical care for indigent adults and pregnant women.	Approved, June 22.
	S. 367	Provides medical and surgical treatment for afflicted children.	Approved, June 16.
Minnesota	S. 1289	Provides hospital care for indigents injured by motor vehicles.	Died in Senate.
	H. 1454	Same as S. 1289.	Died in House.
Montana	H. 133	Defines duties of State Department of Public Welfare; defines "assistance" to include medical and hospital care.	Approved, Mar. 9.
	H. 223	Provides medical and hospital care for persons unable to pay therefor.	Died in House.
	H. 362	Amends laws relating to contract care for poor, sick, and infirm; proposes County Medical Service Plan for indigents.	Killed in House.
Nevada	S. 30	Amends law providing maintenance and medical and hospital care for expectant mothers.	Senate failed to concur.
	A. 319	Similar to S. 30; includes appropriation of \$1,000.	Approved, Mar. 25.
New York	S. 1937	Provides home relief be given wholly in cash; medical assistance may be in cash, by order, or in kind.	Died in Senate.
	A. 130	Provides medical facilities for indigents.	Killed in Committee.
	A. 2107	Provides freedom of choice of physician or dentist by recipients of home relief.	Died in House.
North Carolina	H. 870	Provides medical and hospital care for indigents of New Hanover County and City of Wilmington.	Ratified, Mar. 31.
Ohio	H. 37	Provides medical and hospital care for recipients of old-age assistance.	Died in House.
Oklahoma	S. 253	Provides medical and hospital care for indigents and makes appropriation therefor.	Died in Senate.
	H. 303	Provides assistance to needy, aged, blind, and cripples; authorizes cooperation with Federal Government.	Died in House.
	H. 512	Makes appropriation for public welfare; authorizes expenditures for optometrical and dental work for indigents.	Approved, Apr. 21.
Oregon	H. 419	Provides for cooperation with Federal Government; "general assistance" defined to include "medical, surgical, and hospital care."	Approved, Mar. 6.
Pennsylvania	S. 1001	Allocates part of appropriation of Department of Public Assistance to Department of Health for medical care to indigents.	Died in House.
	S. 1002	Authorizes Department of Public Assistance to cooperate with Federal Government; redefines "assistance" to exclude medical care.	Do.
	H. 657	Authorizes Department of Public Assistance to cooperate with Federal Government; "assistance" redefined to include "money, milk, goods, shelter, services, or burial."	Approved, June 26.
	H. 1409	Provides for hospitalization of indigents injured by motor vehicles.	Died in House.
South Carolina	S. 734	Provides levy for hospital and medical care of indigents in Darlington County; American Red Cross to administer services.	Approved, May 26.
	H. 575	Similar to S. 734.	Approved, Apr. 12.
Texas	H. 144	Creates State Department of Hospitalization and Medical Care; authorizes cooperation with Federal Government.	Died in House.
	H. J. Res. 22	Proposes State constitutional amendment providing tax levy for public health and care of indigent sick.	Do.
Utah	S. 297	Provides medical and surgical eye care; authorizes cooperation with Federal Government.	Approved, Mar. 15.
Washington	S. 187	Provides medical care for prevention of blindness without deducting costs from grants of blind assistance; prescribes administrative procedures.	Died in Senate.
	H. 461	Companion to S. 187.	Died in House.

¹ The legislatures of Kentucky, Louisiana, Mississippi, and Virginia were not in session.

that the State bear the expense for hospitalization and for necessary medical and dental treatment of recipients of old-age assistance. Similarly, two bills introduced in Washington (S. 187 and H. 461) providing "medical care or other corrective treatment" for the prevention of blindness failed of enactment.

In Oklahoma Senate bill No. 253 provided \$500,000 annually for each of the fiscal years 1940 and 1941 for medical care and hospitalization of indigents and expectant mothers. It defined the term "indigents" to mean "those persons who are destitute and unable to secure employment by reason of physical or mental disability, infirming or temporary illness or other disability which prevents such person from securing ordinary employment." Administrative authority for the medical-care program was given to the State Board of Public Welfare, and it was provided that maximum fees for "medical, surgical, and hospital treatment and medicine for indigent persons should be set by agreement between the State Board of Public Welfare and the State Department of Public Health." Indigents were guaranteed freedom of choice in selecting their doctors and hospitals. The bill was not passed nor was House bill No. 203 which authorized the Oklahoma Public Welfare Commission to "cooperate with the Federal Social Security Board . . . or other like agency created by Federal Congress . . . to qualify for Federal aid to States in providing assistance to needy persons." This measure would have provided for the granting of assistance not only to dependent children, the aged, and the blind, but also to crippled adults and children.

The Texas legislature introduced two important bills directed toward greater State activity in the furnishing of medical services for indigents. An amendment to the State Constitution was proposed (H. J. Res. 22) providing a tax to be used for public health and the indigent sick. The second bill (H. 144) created a State Department of Hospitalization and Medical Care which was empowered to acquire and operate State hospitals and clinics and to arrange for the care of the indigent sick in privately owned hospitals and other institutions. This new State department was also authorized "to provide for hospitalization and treatment of indigent and destitute sick persons, including expectant mothers who are

indigent or destitute and who are unable, through other sources, to obtain necessary hospitalization and medical care." The care to be given to indigents was to include "proper dental, medical, surgical, and other treatment of a preventive or corrective nature when such service is not available from any other source." Both bills died in the House.

Turning now from the State legislative proposals for medical assistance that were not enacted, let us analyze the bills that received the support of the lawmakers. On the whole, the laws passed in this field were not directed toward the development of State health programs that might be integrated into a national health program. Little attempt was made to reorganize State health and welfare departments so that they might provide more adequate public medical services. Most legislatures failed to propose bills or to pass those that were proposed authorizing cooperation with the Federal Government and designating an appropriate State agency to accept grants-in-aid or other Federal funds for the development of State medical-care plans should funds become available under a Federal health bill.

Most of the bills providing medical care and hospitalization which were finally passed restricted such services to persons who were already public charges or to those near the indigency level. The bills were in large part devoted to definitions of indigents, to detailed procedures to be followed by a person in need of medical care or hospitalization, to eligibility requirements, and to accounting procedures for reimbursing counties, hospitals, or other jurisdictions for services rendered. Little or nothing was said of the quality or extent of services to be given and of the qualifications of professional personnel. Medical care for indigents was to be provided in the same fashion as general relief or other forms of public assistance. The legislation was so drawn as to discourage any general use of public medical-care facilities by sick persons too poor to pay for services of physicians, surgeons, nurses, and hospitals. No special provision was made for preventive health services; rather, the bills stressed the fact that indigents should avail themselves of public services only in the last extremity. The chronically ill were generally excluded from the public services offered, and frequently the applicant for medical care was required to demonstrate to the authorities that

his condition was susceptible of improvement before he might obtain that care.

As illustrative of this type of legislation, we may cite the bills passed in Delaware, Florida, and Montana. The Delaware bill (S. 257) appropriated small annual sums for hospital care for indigents in two of the three counties in that State and amended the law providing for relief of the indigent sick of one of the counties in such a way as to give private physicians and hospitals considerable authority in determining the indigency of persons applying for tax-supported hospital care. The only new legislation dealing with public medical-care services passed in Florida in 1939 was a bill (H. 1041) providing "medication and hospitalization for the indigent citizens" of a county with a population of about 5,000 persons. Montana, in amending numerous sections of its Public Welfare Act, provided that "an applicant for assistance including medical care and hospitalization" shall be eligible only after investigation by the county department of public welfare "reveals that the income and resources are insufficient to provide the necessities of life" (H. 133). The services provided by the county commissioners must be approved by the State Board of Health or the State Medical Association under one of the new amendments to the Montana welfare law. Medical assistance is to be paid for from the county poor fund and administered as a part of the relief program on a "minimum subsistence" basis.

Legislation passed in Michigan and Oregon improved administration of medical assistance and broadened the scope of services to be extended. Senate bill No. 130 of Michigan amended the Indigent Afflicted Adults and Pregnant Women Act of 1915, generally referred to as the Afflicted Adults Act, by transferring administrative jurisdiction from the probate court to the County Department of Social Welfare and broadening the coverage. Under the amended act, hospital service and medical and surgical treatment are to be given to indigent adults and to pregnant women who are financially unable to secure proper care. In a similar way in Michigan the Afflicted Children's Act of 1913 (Act 274) and the Crippled Children Act of 1927 (Act 235) are modified in Senate bill No. 367 to bring about a unification in administration of the two acts and more adequate provision of medical-care services for all children under 21 years of age. Oregon likewise passed a bill

(H. 419) amending and improving various welfare statutes. It broadened the scope of public services to the needy and provided for cooperation with the Federal Government in providing all forms of assistance, including medical and hospital care, for needy persons.

Summary.—Twenty-six States proposed 64 bills dealing with medical assistance for needy persons; 22 bills in 15 States were passed. This legislation provided general medical assistance for all needy persons rather than special services for tuberculous or permanently disabled persons. For the most part the legislation enacted did not include provisions that would enable the States to take advantage of possible Federal legislation. The more liberal bills, including several authorizing cooperation with the Federal Government in developing broad health programs, were killed or died for lack of support. Certain States, such as California, Connecticut, Massachusetts, New York, Ohio, Pennsylvania, and Texas, which were sponsoring legislation for voluntary health insurance plans, failed to enact bills that had been introduced providing medical services under public-assistance or compulsory insurance plans. Other States—Iowa, Maine, New Hampshire, New Mexico, Vermont, and Wisconsin—enacted voluntary insurance laws, but failed to introduce any legislation providing public medical services for that large portion of the population which needs medical services and cannot afford to pay for them on an individual basis or as members of group hospitalization or group medical-care plans.

Medical Assistance and Cash Benefits for Permanently Disabled and Tuberculous Persons

State legislators passed only 3 out of 27 bills introduced relating to the medical needs of permanently disabled and tuberculous persons. This count does not include 17 bills, 10 of which were enacted, which provided for the erection of hospitals and for administrative procedures relating to hospitals furnishing care for the tuberculous. These bills are discussed below under Miscellaneous Provisions. Legislative proposals in a few States showed a desire to assume public responsibility for medical care and rehabilitation of crippled adults, but the proposals did not meet general favor.

In California, in A. J. Res. No. 17, it was pointed out that "one of the obligations of civilized communities . . . was to afford assistance to those of its people who are in need" and that the cooperation of Federal and State governments was necessary for the successful performance of this function. To this end a joint resolution of the Assembly and Senate of California was introduced, declaring "That the President and the Congress of the United States be memorialized to extend the Social Security Act to provide grants-in-aid to States which afford assistance to needy persons who are physically handicapped." However, this resolution asking for the cooperation of the Federal Government was not adopted, and the California legislature likewise failed to enact bills providing financial assistance or medical care to disabled persons (Assembly bills 102, 608, and 1734) and one bill (A. 1307) providing financial assistance to convalescent tuberculous persons who are in need.

Several States introduced legislation providing monthly grants of assistance to cripples, but none of the bills was passed. Among these bills were A. 608 in California, which provided \$35 monthly to permanently disabled persons; S. 44 in Georgia, which provided public assistance not to exceed \$15 per month for persons over one year of age who were 50 percent disabled; H. 99 in Kansas, which provided county "pensions"⁷ to persons over 21 who have lost both hands; H. 1702 in Maine, which provided a \$20 monthly "pension" to cripples between the ages of 21 and 65; and Senate bills 260 and 270 in Washington and H. 13 in Wyoming, providing assistance to the physically disabled. Vermont appropriated \$5,000 to "give aid to deserving crippled or otherwise physically disabled persons over twenty-one years of age, who are not eligible to receive aid under existing agencies functioning under the Federal Security Act" (H. 280). In Texas an amendment to the State Constitution was proposed (H. J. Res. 12) providing assistance for needy permanently disabled and crippled persons over 21 years of age. The bill died in the House.

New York introduced companion bills (S. 1786 and A. 2251) providing medical care and hospitalization for the physical repair of adult unemployed

persons between the ages of 21 and 65 who are physically handicapped. Neither bill was passed. Similarly, Ohio tried without success to pass a bill (H. 78) establishing a bureau of aid for needy physically handicapped persons between the ages of 18 and 65. In Missouri it was proposed (S. J. Con. Res. 1) that there be submitted to the voters of the State a constitutional amendment authorizing assistance to persons over 65 years of age "who are incapacitated from earning a livelihood and without means of support." The proposal died in the Senate.

Public Medical Care for the Entire Population

Those who believe that health for the entire Nation is as necessary and desirable as education, and that preventive and curative medical services should be as available to all as public education, will be greatly interested in a bill proposed in New York by Assemblyman Goldstein (A. 523). This bill, which died in committee, amended the public-health law by transferring to the State Department of Health all the functions of the State Department of Social Welfare, the Department of Labor, the Department of Education, and other departments—

which in any manner, directly or indirectly, pertain or relate to medical activities, medicine, dentistry, pharmacy, nursing, technicians and laboratory work, the maintenance and operation of public or private hospitals, sanatoriums and other institutions for the care and treatment of the sick, the health and lives of the people of the state or of the wards of the state, including the sick, the feeble-minded and the insane.

Provision was made for a salaried professional staff under civil service and for the establishment of four new divisions in the Department of Health, namely, divisions of medical care, dental care, nursing care, and pharmacy.

This enlarged Department of Health in New York was to have the following objective and goal:

To improve and maintain the health of the people of the state and to render free of charge, under rules and regulations to be prescribed by the department, all medical, surgical, dental, nursing care and treatment and all other services and facilities known to science and designed or adapted for use in all cases of sickness, accidents and childbirth, to and for residents of the state, including free transportation to and from hospitals, maintenance in hospitals, the furnishing and supplying without cost of medicines, drugs, and all medical, surgical, dental and pharmaceutical supplies and appliances required or deemed

⁷ The term "pension" as used in some State legislation is synonymous with "public assistance"; it refers to monthly cash allowances paid by welfare authorities to needy persons on the basis of need and not as a matter of right nor for meritorious service.

advantageous for the care, treatment, recovery and rehabilitation of a sick or injured person . . .

Another bill designed to remove administration of public medical services from the jurisdiction of public-assistance agencies was one introduced in Oklahoma by Senator Phillips (S. 17) "providing medical treatment free of charge to persons who are unable to provide such treatment for themselves." That administration of these services should in no way be regarded as part of the relief set-up, the bill stated:

In order for a person to be entitled to receive medical treatment under this Act, it shall not be necessary that such person be on a relief roll, Works Progress Administration Roll or other government set up, but such person, or the parents or guardian of such person shall make affidavit that they are unable to provide such medical treatment.

Provision likewise was made to place administration under the State Commissioner of Health. The bill died in the Senate.

Tennessee is believed to be the only State which enacted legislation designed to reorganize health and welfare administrative machinery in anticipation of the passage of a national health bill and which lifted public medical care out of the group of services available only to indigents able to demonstrate need under the pauper laws, placing such care on a level with other public services available to all persons seeking them. The new Tennessee law (H. 836) creates the Medical Care Division in the State Department of Public Health and authorizes this division to administer and expend not only any State funds which may subsequently be allotted for medical-care services, but also any funds which may be "allotted or contributed for medical care in accordance with any future act of the General Assembly of the State of Tennessee or the Congress of the United States having as its objective the inauguration of a State and/or national program of medical care." The law further specifies that the medical-care services to be furnished are separate from, and in addition to, the services customarily rendered by public health departments and that the purpose of the act is—

to coordinate, improve and better supervise the expenditure of public funds appropriated and designed for medical care and medical service to citizens of the State, generally, who under future laws shall become entitled to receive medical care or medical service at public expense under the proposed National program of medical care.

This bill, proposed on February 13, passed quickly through both houses and was approved by the Governor on March 6, 1939.

Compulsory Health Insurance

There was scarcely any State legislative activity in the field of compulsory health insurance in 1939 although ample evidence was available that a major part of the population of this country, including the otherwise self-supporting as well as indigents, was unable to afford adequate preventive and curative medical services and although testimony presented at the Federal hearings on the Wagner bill indicated that need for public medical services existed in nearly every part of the United States. As we have seen, the only legislation acted upon favorably by the States was that which provided public medical services for the indigent or needy and that which authorized the formation of voluntary hospital and medical-care corporations to furnish limited medical services to persons who could afford such services. Only nine States introduced bills relating to some aspect of compulsory health insurance. All told, 19 bills were introduced but only two were passed (table 6). Attempts to make more adequate provision for the medical needs of the workers of the country failed as did isolated attempts to establish comprehensive State medical-care programs for all persons seeking medical services. (See preceding section.)

Legislative proposals for compulsory health insurance showed two different approaches: one called for compulsory health insurance legislation generally along the lines laid down by the American Association for Social Security in its model Social Security Bill for Health Insurance; the other called for the inclusion of health insurance benefits within the framework of existing unemployment compensation laws.

The only legislation passed that was directed toward some form of compulsory health insurance, outside the unemployment compensation laws, was House Joint Resolution 32 in Maryland. The purpose of this bill was to explore the possibility of transforming voluntary hospital insurance into compulsory hospital insurance. The bill called attention to the fact that although Maryland in 1937 had passed an enabling act for nonprofit hospital-service plans and although

corporations were operating under this act, there were many persons who had not taken advantage of the plan. The legislature therefore requested the Governor "to appoint a commission to study the question of compulsory hospital insurance" and to report to the General Assembly on or before January 15, 1941. If a compulsory hospital insurance plan should be inaugurated, it would represent a limited form of compulsory health insurance.

The only bill passed linking health insurance with unemployment compensation was H. 327 in New Hampshire. This bill authorized the establishment of a commission to study the possibilities of protecting individuals unemployed because of sickness or ill health. An appropriation of \$2,500 was made available to the commission.

The Maryland and New Hampshire laws both called for study of the possibilities of compulsory health insurance without actually approving any particular program. California, Massachusetts, New York, Pennsylvania, Rhode Island, and Wisconsin, on the other hand, introduced several bills for State systems of compulsory health insurance, but none was passed. Connecticut failed to pass a bill (H. 1495) authorizing the appointment of a commission to study and report on the problem, and Wisconsin took the same action on a similar bill (A. 844).

Two bills seeking to establish State-wide compulsory health insurance in California were opposed by the State Medical Association and by

other groups and failed of enactment. Senate bill No. 551 proposed the creation of a Division of State Health Insurance in the Department of Industrial Relations and established a State health insurance fund. The program was to be financed by contributions—divided equally between employers and employees—amounting to 6 percent of wages plus a State contribution of one-tenth of this joint contribution. Benefits were to include cash and medical benefits for employees and their dependents. Broad coverage was to be made possible by providing voluntary insurance for persons employed in employments not covered by the act. The bill died in the Senate.

California Assembly bill No. 2172 illustrates a second legislative device for setting up a compulsory health insurance system. Whereas Senate bill No. 551, patterned after the model compulsory health insurance bill, proposed an independent health insurance system, Assembly bill No. 2172, drafted as an amendment to the California Unemployment Reserves Act of 1935, contemplated a compulsory health insurance system within an existing unemployment compensation system, with which it was integrated and upon which it was dependent. The original title of the 1935 act was to be changed to the "Social Insurance Act" as an indication of the broader scope of the proposed bill. The existing Department of Employment, which is charged with the dual responsibility of administering unemploy-

Table 6.—Scope and final disposition of State legislative proposals for compulsory health insurance made in 1939

State	Bill No.	Scope	Final disposition
Compulsory health insurance			
California	S. 551	Provides State system of health insurance	Died in Senate.
Connecticut	H. 1495	Provides appointment of commission to study health insurance	Killed in House Mar. 30.
Maryland	H. J. Res. 32	Requests Governor to appoint commission to study compulsory hospital insurance	Approved, Apr. 25.
Massachusetts	H. 1898	Provides State system of health insurance	Killed in both Houses.
New York	A. 2241	do	Died in House.
	A. 2252	do	Do.
Pennsylvania	H. 671	do	Do.
Rhode Island	H. 809	do	Do.
Wisconsin	A. 807	do	Killed in Assembly.
Unemployment compensation for sickness			
California	S. 1128	Establishes system of social insurance; includes health and unemployment insurance	Died in Senate.
	A. 2172	Provides system of health insurance within system of unemployment reserves	Killed in Assembly.
Massachusetts	H. 387	Provides benefits for sick employees under unemployment compensation	Killed in both Houses.
	H. 933	do	Do.
	H. 1075	do	Do.
	H. 1651	do	Do.
	H. 1781	do	Do.
	H. 1876	do	Do.
New Hampshire	H. 327	Establishes commission to study protection of persons unemployed because of sickness	Approved, June 16.
Pennsylvania	H. 450	Provides unemployment compensation for sick or physically disabled employees	Died in House.

ment compensation and the State employment service, was to be designated as the Department of Social Insurance and Employment Service. Medical benefits were to be administered by a Bureau of Medical Service in the Division of Social Insurance in the enlarged Department. A health insurance fund, separate from the unemployment fund, was to be created in the State treasury and was to consist of: (1) the 1 percent employees' contribution collected for unemployment compensation under the original Unemployment Reserves Act, (2) medical-benefits contributions comprising employers' and employees' contributions of 1 percent each with respect to wages paid, (3) any money that might be appropriated by the State for medical benefits, (4) any money that might be received for disability unemployment benefits or medical benefits or for both from the United States or from any other source, and (5) earnings on investments, fines, and other miscellaneous items.

The close integration of the three administrative branches of the proposed department and the dependence of the program of cash benefits for disability unemployment on the unemployment compensation program were indicated by the provision that employee contributions collected on and after January 1, 1940, for unemployment compensation were to be put into the health insurance fund and not into the unemployment fund. The cost of the three programs was to be distributed as follows: unemployment compensation was to be financed by employers, the State, and the Federal Government; the cash benefits program of the compulsory health insurance scheme was to depend primarily upon a 1 percent unemployment contribution from employees and secondarily upon such appropriations as might be made from State and Federal funds; and, finally, the medical-benefits program of the compulsory health insurance plan was to be financed by contributions from employers, employees, and the State, together with possible grants from the Federal Government. The bill was defeated in the Assembly by a vote of 48 to 20.

Within the short period of a single week seven bills were introduced in Massachusetts, six providing that the unemployment compensation law be expanded to include benefits for sick employees and one providing for health insurance along the lines suggested by the American Association for

Social Security. All seven bills were defeated, as were the bills providing medical services for the needy and one bill proposing a survey of health needs. In Massachusetts, as in California, New York, and Wisconsin, the only medical-service bills enacted were new enabling acts or amendments to previous enabling acts for voluntary group hospital-service or medical-service plans.

In New York two compulsory health insurance bills were introduced on the same day, one by Assemblyman Boccia (A. 2241) and one by Assemblyman Wagner (A. 2252). The two bills were similar, and both followed closely the model Social Security Bill for Health Insurance sponsored by the American Association for Social Security and popularly known as "the Epstein bill." Both bills placed administrative authority in a health insurance board to be created in the State Department of Health. The former bill used the premium rates recommended in the model bill and provided for contributions of 6 percent of wages, requiring employers and employees together to pay 4½ percent on a graduated scale, and the State to pay 1½ percent. This is the rate believed by many to be necessary for a sound health insurance scheme. The Wagner bill departed from the recommendations in the model health insurance bill by requiring total contributions of only 5 percent of wages, by omitting provisions for local administrative procedures, by not separating funds for cash benefits from those for medical benefits, and by providing more generous cash benefits. Both of the New York bills were defeated.

In Pennsylvania the Tronzo compulsory health insurance bill (H. 671), placing administrative responsibility in the State Health Department and providing the premium rates of the model health bill, and a bill (H. 450) extending the unemployment compensation law to include benefits to persons unemployed by reason of sickness or physical disability, were defeated.

The Rhode Island compulsory health insurance bill introduced by Representative Romano (H. 809) followed the model bill almost verbatim. It did, however, place administrative authority in a Division of Health Insurance to be created in the Department of Public Welfare, whereas the model bill did not link health insurance with the welfare department. The Romano bill died in committee.

Assemblyman Biemiller in Wisconsin introduced

Miscellaneous Provisions

a compulsory health insurance bill (A. 807A) which differed considerably from other bills in this field and from the model health insurance bill. Contributions by employers and employees to the health insurance fund were put on a flat 2 percent basis for each group instead of being graduated. No provision was made for a State contribution. The bill provided for "health benefits" (i. e. medical services) but not for cash benefits. One of the unusual features of the bill was the definition of "health services" to include, among other things, "services and supplies for the prevention, cure, or alleviation of mental defect." No provision was made for services for mental disease, a condition more amenable to treatment than mental defect. Unusual powers were accorded to the director of health insurance, who was to be appointed by a State health insurance council instead of by the Governor, as is customary for such appointments. The Wisconsin Assembly killed both this bill and one (A. 844A) creating an interim committee on the cost of medical care.

Regulation of Health and Accident Insurance Companies

Only brief mention will be made here of the bills introduced in many States for the purpose of regulating insurance companies which offer health and accident policies. One of the manifestations of increased interest in providing protection against the costs of medical care and the loss of income due to disability is the willingness of the public to purchase various types of insurance from commercial companies. The recent rapid increase in membership in voluntary nonprofit health insurance plans has apparently encouraged private insurance companies to expand their health insurance business.

This increased activity has resulted in amendment of the laws in many States to enable insurance companies to write additional forms of insurance, to regulate business procedures, and to protect the interests of the insured. At least 24 bills are known to have been introduced in 12 States, and 10 of these bills in 8 States were passed. Most of the bills dealt with definitions of health and accident policies, procedures to be followed regarding cancellation, permissible coverage, and other regulatory and enabling provisions.

In addition to the bills analyzed in preceding pages, at least 90 were introduced relating to appropriations, administration, hospital construction, and other matters less directly concerned with the furnishing of medical services. Of these, 49 bills were passed in 26 States appropriating funds to continue or to expand county health services, to aid crippled children, and to erect hospitals for indigents, the insane, and the tuberculous; empowering the State Board of Health to receive and expend funds from the Federal Government for the promotion of health activities (New Hampshire H. 343); establishing the Division of Public Health in the Department of Public Welfare (Idaho S. 1) and the Bureau of Industrial Hygiene in the State Division of Public Health (Idaho S. 101); regulating rates of payment for treatment of patients in public hospitals; guaranteeing freedom of choice of physician or other medical practitioner under any public-health program financed in whole or in part from State funds (South Dakota H. 47); establishing a State Cancer Commission (Vermont H. 56); and providing for other financial aid and administrative procedures. Among the miscellaneous bills enacted were 5 authorizing State and/or local governments to make contracts with life insurance companies for group life, health, and accident policies for government employees and, except in Florida, to collect premiums through pay-roll deductions (Delaware S. 153, Florida H. 688 and H. 1106, New York S. 1970, Pennsylvania H. 640).

Among these miscellaneous provisions were 17 bills, 10 of which were enacted, relating to institutional care for the tuberculous. The measures included two introduced but not passed in Alabama (H. 155 and H. 156), proposing State aid to counties for the construction of hospitals for the tuberculous; one passed in Arkansas (S. 404), authorizing an appropriation for the Arkansas Tuberculosis Sanatorium; one introduced but not enacted in Connecticut (H. 1507), proposing that charges for care of patients in tuberculosis sanatoria and other institutions be financed by the State instead of by towns; one passed in Georgia (S. 1), creating the State Hospital Authority and authorizing the issuance of bonds

for construction of hospitals, sanatoria, and other institutions; two introduced but not passed in Idaho (H. 374 and H. 375), providing for the construction of a State hospital for the tuberculous if Federal funds should become available; one passed in Idaho (S. 139), establishing standards of hospital care for the tuberculous; one defeated in Illinois (H. 224), proposing the establishment of the Illinois State Tuberculosis Hospital under the administrative control of the State Department of Public Welfare, and appropriating \$1 million therefor; one passed in Missouri (H. 603), giving to city hospitals the same State reimbursement for care of tuberculous indigents as is now given to county hospitals; one passed in Montana (H. 125), providing for construction of additions to the State Tuberculosis Sanitarium; three passed in North Carolina, including one (S. 342), which establishes a State tuberculosis sanatorium, one (S. 395), relating to settlement requirements for persons seeking care in the State sanatoria, and one (H. 741), authorizing counties and municipalities to spend tax funds for erection and maintenance of tuberculosis hospitals; two companion bills introduced but not passed in New York (S. 841 and A. 1125), amending the public-health law regarding State hospitals for the tuberculous; and one bill enacted in Wisconsin (A. 194), making an appropriation for State aid to sanatoria for the tuberculous.

Trends in Legislative Proposals

During the year 1939, legislators in 44 States introduced approximately 285 bills dealing directly or indirectly with provision of medical services, with payment of cash benefits for disability, or with regulation of public or private agencies engaged in the promotion of health activities. Of these bills, 110 were passed. One clear trend was observable: legislation favored the encouragement of local voluntary efforts to cope with health problems rather than the development of a comprehensive State plan to be integrated into a national health program. Legislators supported measures providing for voluntary group hospital or group medical-care plans and likewise extended the fields of operation of private insurance companies to include individual, family, and group health and accident insurance. Four States

authorized pay-roll deductions for premiums to be paid to private insurance carriers for group health and other insurance for public employees. At the same time practically the only legislation enacted for State-wide medical services was that relating to indigents. The States declared themselves overwhelmingly in favor of furnishing tax-supported medical services on a charity basis only. The benefits of public medical services were consistently denied to persons above the pauper level, as legislators proposed and enacted bills limiting such services to "indigents," "paupers," "the needy," or "persons with no legally responsible relative."

Only 9 States introduced bills dealing with compulsory health insurance. Of 19 bills introduced, 3 authorized or requested the creation of commissions to study the possibilities of health insurance, 6 proposed State-wide systems of compulsory health insurance patterned after the system outlined in the model health bill of the American Association for Social Security, and 10 proposed State-wide systems developed along different lines. The most noticeable trend in compulsory health insurance proposals was the introduction of a new legislative device to obtain the desired end of protecting workers and their dependents against the hazards of temporary and permanent disability by adding provisions for cash benefits or cash and medical benefits to existing unemployment compensation laws instead of setting up new systems for compulsory health insurance. These proposals differ in many respects from the independent compulsory health insurance schemes which are not related to unemployment compensation. Most of the bills integrating health and unemployment insurance have made no provision for additional contributions to meet the expense of additional benefits. The bill introduced as the Social Insurance Act of California (A. 2172) is an example of this new type of legislative proposal. It would provide for the financing of health insurance partly from new contributions and partly from employee contributions already being collected for unemployment compensation. Massachusetts and Pennsylvania attempted a similar approach through existing unemployment compensation laws. All 16 bills proposing State-wide systems of compulsory health insurance—6 in general conformity with the model health bill and 10 drawn along different lines—were defeated.

A broad view of all the legislative proposals which have been discussed shows that, with a few exceptions, little effort was made by the States to attack the major health problems which are known to exist. Some legislative provision was made for the poorest part of the population—persons already public charges or those very near the level of public dependency—and for persons financially able to purchase insurance. Most of the bills enacted provided for one kind of medical care for indigents and another for persons in moderately comfortable circumstances. Sporadic efforts made in a few States to provide medical services for the entire population met with defeat. In the main, legislation was not directed toward the health problems of the large group of persons with low

incomes who cannot afford to purchase limited medical services under voluntary insurance plans and who will not ordinarily seek public medical services so long as these are available only after submission to a public welfare means test. Legislative proposals for compulsory health insurance and for public medical care for the entire population were defeated.

On the whole, therefore, it may be said that during 1939 State legislative proposals for medical services continued to place emphasis on care of indigents and plans for voluntary health insurance rather than on more comprehensive tax-supported health programs for all or nearly all the people. This was particularly noticeable in California, Connecticut, New York, and Pennsylvania.

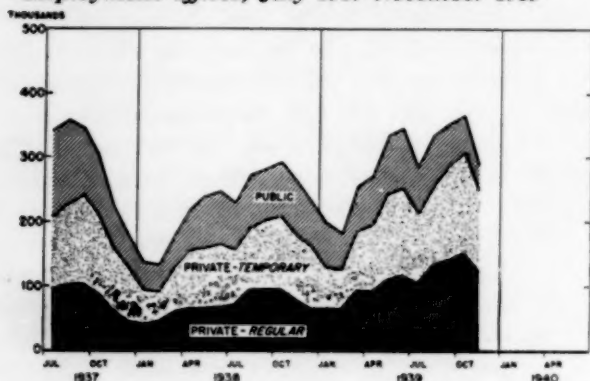
EMPLOYMENT SECURITY

BUREAU OF EMPLOYMENT SECURITY • RESEARCH AND STATISTICS DIVISION

Review of the Month

Although the number of jobs filled with private employers was the highest November total in the history of the public employment service, a general seasonal decline in placements was reported by the public employment office system in November. Total applications for work received during the month showed an increase, and the active file expanded for the first time this year. Benefit payments to unemployed workers also increased, after sharp declines in September and October.

Chart I.—Public and private placements of public employment offices, July 1937–November 1939

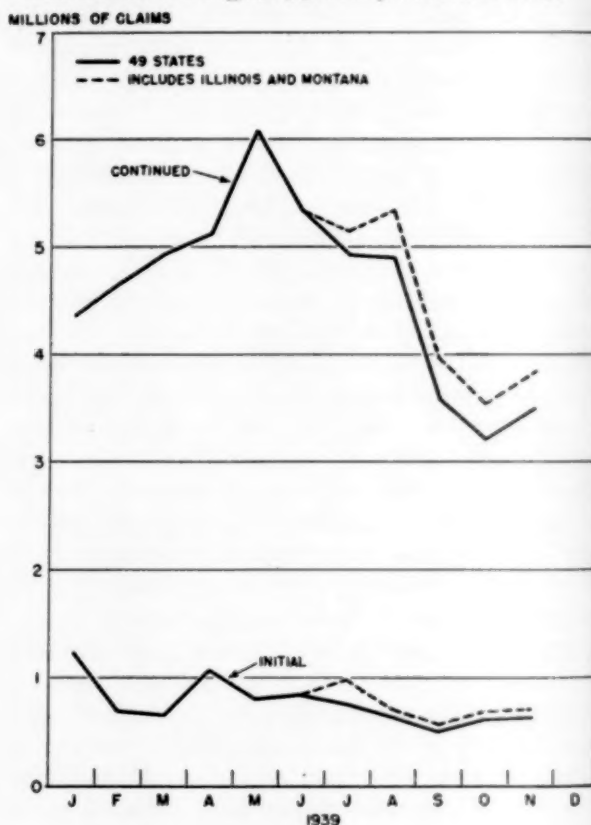


Benefit payments rose in November to approximately \$28.4 million, an increase of 6 percent over the figure for October. More than half the jurisdictions reported increased payments during the month. In general, the sharpest increases occurred in those States which experienced marked increases in receipts of initial claims during October. Reports from selected State employment security agencies on the rise in claims during October indicated that seasonal lay-offs and new claims filed by workers who were previously ineligible because of insufficient wage credits contributed to the increase. A considerable number of workers who filed such claims drew benefits in November. The largest increases in benefit outlays occurred in California and North Dakota, where payments increased 56 and 85 percent, respectively. Increases ranging between 25 and 50 percent were reported by eight States. Although 21 States reported lower amounts of

benefits paid in November, the decreases in 13 of these States were less than 10 percent. The largest relative decline was reported by South Dakota, where October payments had been inflated by the payment of compensable claims which had accumulated during the suspension of operations throughout most of September.

The volume of initial claims received in local offices increased in November for the second successive month. Receipts totaled 702,000, an increase of 3 percent over the preceding month's total. The largest relative increases occurred in some of the Rocky Mountain States, although increases in excess of 25 percent were reported also by Iowa, Maryland, North Dakota, and Tennessee. Special reports from the States showing marked increases in the volume of initial claims indicated that lay-offs in industries which normally reduce

Chart II.—Number of initial and continued claims received in local offices, January–November 1939



working schedules at this time of the year were chiefly responsible for the larger number of such claims.

In four States of the New England area the shoe, textile, jewelry, construction, quarrying,

and a miscellaneous group of industries contributed to the increase in claims; in three Southern States curtailed operations in construction, sawmills, and textiles and apparel manufacturing accounted for the expansions. In Iowa and

Table 1.—Number and amount of benefit payments by types of unemployment ¹ and by States, November 1939

[Data reported by State agencies, corrected to Dec. 21, 1939]

State	Number					Amount				
	All payments		Types of unemployment ²			All payments		Types of unemployment ²		
	Number	Percentage change from October	Total	Partial and part-total combined ³	Partial only ⁴	Amount	Percentage change from October	Total	Partial and part-total combined ³	Partial only ⁴
Total	2,766,338	+5.9				\$28,368,903	+6.3			
Alabama	36,549	-0.0	32,588	3,926	2,108	263,020	-9.6	\$236,008	\$26,753	\$16,690
Alaska	1,519	+31.6	1,313	135	(⁵)	21,372	+28.6	19,833	1,006	(⁵)
Arizona	9,450	+2.9	8,041	509	41	103,973	+3.0	90,988	3,985	263
Arkansas	18,169	-4.5	16,470	1,140	41	113,043	-4.9	106,888	4,882	159
California	361,350	+58.5	301,005	39,748	4,697	3,762,244	+55.7	3,401,069	237,021	41,394
Colorado	17,024	+9.0	15,485	1,513	405	170,136	+8.6	158,667	11,355	2,668
Connecticut	28,552	-17.3	23,327	4,797	(⁵)	261,987	-20.2	222,382	28,819	(⁵)
Delaware	8,229	-7.3	4,407	822	716	43,574	-8.4	40,320	3,254	2,550
District of Columbia	11,547	+3.5	10,392	566	(⁵)	91,484	+3.9	85,263	3,202	(⁵)
Florida	39,540	-32.8	30,565	4,824	(⁵)	338,280	-32.2	287,089	33,617	(⁵)
Georgia	36,346	-1.8	33,589	2,757	2,148	236,955	-2.6	225,838	11,117	8,705
Hawaii	5,061	+10.6	4,358	703	(⁵)	41,763	+15.9	37,078	4,685	(⁵)
Idaho	5,234	+22.8	4,789	445	(⁵)	55,747	+28.2	52,123	3,624	(⁵)
Illinois	264,612	-1.6	193,437	70,587	45,626	3,024,365	-3.1	2,488,575	531,667	308,996
Indiana	60,697	+39.1	48,370	12,259	(⁵)	615,504	+46.3	549,486	65,870	(⁵)
Iowa	20,201	-2.1	17,898	2,283	303	178,413	-6.2	164,140	14,095	1,606
Kansas	13,541	+9.2	11,402	2,139	(⁵)	121,983	+6.3	109,382	12,601	(⁵)
Kentucky	26,506	-9.0	25,737	3,318	(⁵)	210,495	-10.9	207,127	1,894	(⁵)
Louisiana	41,568	-6.3	36,257	2,562	(⁵)	341,448	-6.8	310,325	16,488	(⁵)
Maine	29,519	+24.7	23,752	5,012	(⁵)	198,698	+25.0	165,663	28,423	(⁵)
Maryland	35,195	+5.4	27,653	4,960	4,748	325,355	+4.2	253,201	37,378	33,959
Massachusetts	151,734	+5.1	151,155	(⁵)	(⁵)	1,473,379	+6.3	1,469,781	(⁵)	(⁵)
Michigan	145,458	+4.0	139,476	5,982	(⁵)	1,890,496	+9.3	1,840,214	50,282	(⁵)
Minnesota	34,319	-7	31,505	2,437	(⁵)	338,567	-8	317,576	19,944	(⁵)
Mississippi	15,576	+23.0	14,781	551	(⁵)	88,713	+20.5	85,164	2,539	(⁵)
Missouri	60,374	+43.9	46,550	13,524	9,434	496,543	+41.9	412,976	83,567	58,280
Montana	14,110	+15.2	14,105	(⁵)	(⁵)	154,431	+12.1	154,396	(⁵)	(⁵)
Nebraska	8,565	+16.0	7,984	575	119	75,727	+17.7	71,312	4,344	889
Nevada	5,320	+22.0	4,825	495	447	68,883	+21.8	63,786	5,097	4,684
New Hampshire	17,957	+43.5	13,123	4,778	(⁵)	138,378	+47.2	110,585	27,609	(⁵)
New Jersey	90,519	+17.1	90,254	(⁵)	(⁵)	859,735	+14.0	857,321	(⁵)	(⁵)
New Mexico	8,475	-1.1	7,637	818	435	82,980	-3.8	76,703	6,277	3,162
New York	436,294	+5.1	436,294	(⁵)	(⁵)	5,159,236	+6.6	5,159,236	(⁵)	(⁵)
North Carolina	32,988	-19.7	30,485	2,032	1,463	177,746	-17.4	168,191	7,821	5,078
North Dakota	3,469	+71.0	3,201	268	2	36,816	+84.8	34,516	2,300	13
Ohio	130,818	-1.7	105,408	20,031	(⁵)	1,211,118	-1.5	1,077,442	104,258	(⁵)
Oklahoma	27,269	-13.3	23,632	3,637	477	262,617	+12.2	238,469	24,148	2,282
Oregon	18,245	+14.8	15,110	3,122	(⁵)	206,540	+13.5	183,045	23,405	(⁵)
Pennsylvania	216,760	-14.0	205,832	(⁵)	(⁵)	2,330,487	-14.5	2,274,781	(⁵)	(⁵)
Rhode Island	32,834	-22.8	28,391	4,443	(⁵)	310,897	-21.6	291,216	19,681	(⁵)
South Carolina	23,636	+3	19,398	4,195	(⁵)	146,450	+2.9	125,731	20,570	(⁵)
South Dakota	2,053	-63.4	1,791	257	(⁵)	15,513	-62.1	13,937	1,560	(⁵)
Tennessee	47,797	+3.5	44,010	3,691	1,333	348,961	+3.0	330,336	18,159	6,462
Texas	46,552	+2.5	41,105	5,354	(⁵)	730,770	+2	675,231	54,808	(⁵)
Utah	8,521	-7.4	8,438	(⁵)	83	88,921	-9.6	88,179	(⁵)	742
Vermont	4,571	-6.8	3,843	728	637	34,809	-6.1	31,726	3,083	2,488
Virginia	30,751	-4.4	27,122	2,276	1,876	228,930	-4.2	213,363	11,217	8,660
Washington	36,972	+32.7	32,609	4,263	(⁵)	442,543	+31.7	405,812	36,731	(⁵)
West Virginia	18,900	-26.0	18,220	552	551	163,858	-37.6	144,283	18,708	15,703
Wisconsin	23,380	+6.5	18,887	4,354	(⁵)	224,180	+2.0	200,506	23,197	(⁵)
Wyoming	4,712	+32.7	3,925	603	283	60,840	+32.7	54,208	5,415	2,130

¹ For definitions of types of unemployment, see the *Bulletin*, March 1939, p. 33.

² Excludes irregular payments except where otherwise noted. In many cases monthly figures by types of unemployment are estimated from reports for week ended Nov. 18.

³ Benefits for partial unemployment are not provided by State law in Massachusetts, Mississippi, Montana, New Jersey, New York, and Pennsylvania. Of these, only Mississippi provides for payments of less than full weekly benefit amount for total unemployment, i. e., "part-total" unemployment. In Kentucky, which pays benefits for part-total unemployment, the provision for benefits for partial unemployment is not effective until January 1940.

⁴ Payments for partial unemployment included with payments for part-total unemployment.

⁵ Represents number of compensable weeks for which 3,900 checks were issued.

⁶ Includes irregular payments.

⁷ Represents number of compensable weeks for which 31,283 checks were issued.

⁸ Payments for part-total unemployment included with payments for total unemployment.

⁹ Represents number of compensable weeks for which 30,254 checks were issued.

Minnesota, reduced activity in construction as well as in other highly seasonal operations was cited as a primary factor. Four States in the Rocky Mountain area reported that the increase in claims was largely seasonal in character; employment reductions in the construction and sugar-beet industries were reported by Montana, Utah, and Wyoming, and the Idaho agency cited declines in employment in the lumber industry as a contributing factor. On the Pacific Coast,

Table 2.—Number of initial and continued claims¹ received in local offices, by States, November 1939

[Data reported by State agencies, corrected to Dec. 27, 1939]

State	Initial claims ¹		Continued claims ¹	
	Number	Percentage change from October	Number	Percentage change from October
Total.....	701,872	+3.0	3,822,832	+8.1
Alabama.....	8,024	+5.4	63,291	+2.5
Alaska.....	362	-21.5	1,823	+36.8
Arizona.....	2,444	+11.6	13,505	+2.1
Arkansas.....	5,393	+15.6	27,639	+9.2
California.....	75,690	+18.5	421,057	+26.7
Colorado.....	3,792	+5.3	21,020	+10.4
Connecticut.....	11,912	+21.7	40,201	+7
Delaware.....	1,318	-13.6	6,384	-11.7
District of Columbia.....	2,037	+17.5	16,940	+11.0
Florida.....	6,290	-4.3	53,731	-23.0
Georgia.....	9,639	+3.5	54,833	-2
Hawaii.....	853	-34.1	5,176	+11.0
Idaho.....	2,835	+54.6	9,758	+44.4
Illinois.....	66,117	+11.2	318,635	+5
Indiana.....	9,454	+7.0	81,130	+27.4
Iowa.....	7,807	+29.2	32,531	+9.9
Kansas.....	4,258	+11.4	21,715	+1.4
Kentucky.....	4,024	+15.3	43,972	-10.4
Louisiana.....	10,537	+1.4	53,681	+3
Maine.....	7,224	+20.8	41,344	+15.6
Maryland.....	5,061	+32.4	53,959	+11.9
Massachusetts.....	44,695	+7.8	186,617	+2.0
Michigan.....	33,895	-60.1	185,656	+17.3
Minnesota.....	6,576	+21.9	53,713	+10.8
Mississippi.....	6,215	+22.2	25,794	+31.1
Missouri.....	15,848	-2.8	106,970	+16.8
Montana.....	3,293	+30.2	17,927	+17.2
Nebraska.....	2,323	+8.2	11,417	+17.1
Nevada.....	1,394	+18.1	6,280	+28.6
New Hampshire.....	3,297	-2.8	26,923	+17.1
New Jersey.....	28,965	+9.5	134,937	+9.0
New Mexico.....	2,977	-6.0	12,684	-3.0
New York.....	141,932	+13.5	629,047	+11.8
North Carolina.....	13,290	+21.6	52,986	+24.5
North Dakota.....	699	+27.8	4,063	+16.4
Ohio.....	16,444	+16.0	196,435	+16.1
Oklahoma.....	7,390	-11.2	38,411	+5.0
Oregon.....	10,849	+10.3	33,279	+19.2
Pennsylvania.....	29,738	+18.5	305,343	+2.2
Rhode Island.....	9,173	+22.2	40,383	-20.2
South Carolina.....	4,672	-4.3	31,459	+8.2
South Dakota.....	805	-12.8	4,106	-50.0
Tennessee.....	9,954	+27.4	65,197	+7
Texas.....	23,643	+12.4	61,919	+4.8
Utah.....	2,907	+29.1	11,882	+2.5
Vermont.....	1,371	+24.5	6,667	+9
Virginia.....	7,534	+9.9	45,452	+5.9
Washington.....	6,909	+24.3	59,517	+36.4
West Virginia.....	5,301	-9.7	26,573	-15.2
Wisconsin.....	12,526	-6.0	53,348	-4.2
Wyoming.....	1,306	+33.9	5,540	+31.7

¹ For definitions of types of claims, see the *Bulletin*, March 1939, pp. 32-34.

² Excludes "additional" claims.

³ Includes claims for total and part-total unemployment only.

lay-offs in the construction and canning industries accounted chiefly for the increased volume of claims, although California reported that many claimants were formerly employed in a miscellaneous group of industries in which wholesale

Table 3.—Number of initial and continued out-of-State claims¹ received as liable State,² by States, November 1939

[Data reported by State agencies, corrected to Dec. 27, 1939]

State	Out-of-State claims received as liable State			
	Initial		Continued	
	Number	Percent of initial claims received in local offices ³	Number	Percent of continued claims received in local offices ³
Total.....	28,103	4.0	167,644	4.3
Alabama.....	459	5.1	2,991	4.7
Alaska.....	318	57.8	1,207	68.2
Arizona.....	531	21.7	3,033	22.6
Arkansas.....	420	7.8	2,474	9.0
California.....	1,670	2.2	15,169	3.8
Colorado.....	386	10.3	2,698	12.8
Connecticut.....	688	5.8	2,766	6.9
Delaware.....	97	7.4	515	8.1
District of Columbia.....	815	13.0	6,844	12.7
Florida.....	521	5.4	1,992	3.6
Georgia.....	36	4.2	101	2.0
Hawaii.....	497	17.5	1,414	14.5
Idaho.....	2,091	3.2	13,730	4.3
Illinois.....	458	4.8	2,003	2.5
Indiana.....	519	6.6	2,181	6.7
Iowa.....	613	14.4	1,680	7.7
Kansas.....	222	5.5	3,825	8.7
Kentucky.....	399	3.5	3,643	6.8
Louisiana.....	275	3.8	1,214	2.9
Maine.....	366	7.2	2,419	4.5
Maryland.....	1,123	2.5	5,351	2.9
Massachusetts.....	1,342	4.0	5,362	2.9
Michigan.....	557	8.5	2,196	4.1
Minnesota.....	924	5.8	4,503	5.9
Mississippi.....	350	8.6	1,515	4.2
Montana.....	352	10.8	2,675	14.9
Nebraska.....	297	12.8	1,664	14.6
Nevada.....	326	23.4	2,329	37.1
New Hampshire.....	491	14.9	2,790	10.4
New Jersey.....	768	2.7	4,491	3.3
New Mexico.....	298	9.0	2,899	22.9
New York.....	1,828	1.3	14,616	2.9
North Carolina.....	456	3.4	2,473	4.7
North Dakota.....	141	20.2	465	11.2
Ohio.....	710	4.3	6,599	8.4
Oklahoma.....	839	11.4	3,912	10.2
Oregon.....	332	3.1	2,491	7.5
Pennsylvania.....	832	2.8	6,218	2.0
Rhode Island.....	335	3.7	1,885	4.7
South Carolina.....	238	5.1	1,413	4.5
South Dakota.....	109	13.5	450	11.0
Tennessee.....	468	4.7	(⁴)	
Texas.....	1,116	4.7	8,063	13.0
Utah.....	239	8.2	1,028	8.7
Vermont.....	128	9.3	374	5.6
Virginia.....	680	7.7	2,074	4.6
Washington.....	465	6.7	3,110	5.2
West Virginia.....	324	6.1	2,194	8.3
Wisconsin.....	289	2.3	847	1.6
Wyoming.....	525	40.2	1,766	31.9

¹ For definitions of types of claims, see the *Bulletin*, March 1939, pp. 32-34.

² The liable State is one to which a claim is forwarded by agent State for disposition.

³ Does not include Tennessee.

⁴ Accepts no out-of-State claims as liable State.

⁵ Represents percent of initial claims, excluding "additional" claims.

⁶ Data not reported.

⁷ Represents percent of initial claims received for total and part-total unemployment only.

trade and lumber predominated; other contributing factors in that State were labor disputes on the water front and in the sugar refineries. Smaller

Table 4.—Number of individuals receiving benefits during week ended Nov. 18, and number of new claims authorized and of claimants exhausting wage credits during November 1939, by States

[Data reported by State agencies, corrected to Dec. 21, 1939]

State	Individuals receiving benefits during week ended Nov. 18		New claims authorized during November ¹	Claimants exhausting wage credits during November
	Number	Percentage change from week ended Oct. 14		
Total.....	637, 104	+27. 0	281, 635	188, 887
Alabama.....	8, 734	+3. 4	3, 220	1, 908
Alaska.....	353	+82. 9	192	56
Arizona.....	2, 340	+30. 2	986	990
Arkansas.....	3, 894	+6. 7	2, 459	874
California.....	73, 694	+36. 7	37, 577	18, 174
Colorado.....	4, 292	+54. 9	1, 526	816
Connecticut.....	6, 025	-1. 9	3, 438	2, 053
Delaware.....	1, 159	-3. 7	800	398
District of Columbia.....	2, 647	+12. 2	1, 083	976
Florida.....	9, 418	-32. 0	3, 276	4, 428
Georgia.....	7, 699	+18. 0	3, 378	2, 902
Hawaii.....	1, 107	+12. 2	479	185
Idaho.....	924	+73. 4	456	326
Illinois.....	53, 541	+22. 3	26, 201	16, 170
Indiana.....	13, 725	+66. 0	6, 198	2, 350
Iowa.....	4, 314	+19. 0	1, 799	1, 129
Kansas.....	3, 724	+36. 2	1, 487	1, 222
Kentucky.....	4, 856	-24. 3	1, 930	1, 521
Louisiana.....	8, 970	-7. 1	3, 366	2, 668
Maine.....	6, 335	+25. 8	2, 867	963
Maryland.....	7, 796	+28. 4	2, 334	2, 032
Massachusetts.....	33, 463	+22. 4	14, 190	19, 824
Michigan.....	33, 876	+10. 6	11, 596	6, 503
Minnesota.....	7, 611	+17. 4	3, 334	1, 861
Mississippi.....	3, 853	+83. 0	2, 101	1, 812
Missouri.....	12, 388	+60. 7	5, 439	4, 602
Montana.....	3, 630	+21. 6	1, 568	563
Nebraska.....	1, 905	+27. 8	760	514
Nevada.....	1, 311	+45. 7	413	219
New Hampshire.....	4, 480	+100. 6	2, 410	722
New Jersey.....	21, 968	+60. 2	9, 698	6, 859
New Mexico.....	1, 790	+14. 5	641	489
New York.....	119, 929	+75. 9	43, 218	30, 185
North Carolina.....	8, 046	-1. 4	2, 752	1, 706
North Dakota.....	619	+65. 5	357	205
Ohio.....	25, 436	-3. 2	9, 760	5, 137
Oklahoma.....	6, 315	+34. 9	3, 439	2, 139
Oregon.....	4, 074	+32. 3	2, 409	2, 125
Pennsylvania.....	57, 430	+14. 6	21, 336	17, 278
Rhode Island.....	7, 518	-26. 2	4, 255	4, 364
South Carolina.....	5, 039	+17. 2	2, 403	853
South Dakota.....	450	-89. 5	224	123
Tennessee.....	11, 115	+61. 0	3, 463	2, 542
Texas.....	12, 309	+29. 1	10, 385	5, 790
Utah.....	1, 944	-2. 2	948	575
Vermont.....	1, 096	+42. 3	386	201
Virginia.....	5, 911	+10. 2	4, 121	1, 903
Washington.....	8, 049	+42. 0	3, 593	2, 436
West Virginia.....	3, 709	-28. 7	1, 280	1, 407
Wisconsin.....	5, 028	+25. 9	9, 934	3, 407
Wyoming.....	1, 086	+39. 9	460	302

¹ For definitions of types of claims, see the *Bulletin*, March 1939, pp. 32-34.
² Represents individuals exhausting maximum benefit rights, which are based on weeks of employment instead of wage credits in base period.

³ Represents individuals exhausting rights established after uniform duration became effective as well as those whose duration was determined under earlier provisions. Montana and Ohio have had uniform duration since benefits first became payable.

⁴ Represents number of claimants exhausting wage credits as reported by local offices.

⁵ For week ended Nov. 20.

volumes in initial claims were reported by 13 jurisdictions, but in 7 of these the reductions were less than 10 percent.

Continued claims receipts in general followed the pattern of initial claims. The number of continued claims was 8 percent higher with a majority of the States showing increases; in eight

Table 5.—Contributions deposited in State clearing accounts, by States, January-November 1939 and November 1939

[Data reported by State agencies, corrected to Dec. 15, 1939]

State	Contributions deposited ¹	
	January-November ²	November
Total.....	\$813, 342, 460	\$95, 301, 679
States collecting quarterly, total.....	743, 238, 900	80, 304, 020
Alabama.....	8, 455, 670	954, 207
Alaska.....	529, 829	173, 483
Arizona.....	2, 143, 620	139, 951
Arkansas.....	3, 411, 897	512, 511
California.....	77, 127, 285	8, 807, 551
Colorado.....	5, 006, 595	449, 765
Connecticut.....	16, 630, 007	1, 128, 688
Delaware.....	2, 376, 255	216, 026
Florida.....	6, 439, 244	580, 667
Georgia.....	7, 811, 102	1, 241, 648
Hawaii.....	1, 804, 442	66, 711
Idaho.....	1, 981, 501	231, 360
Illinois.....	67, 954, 275	8, 551, 258
Indiana.....	20, 453, 433	1, 143, 335
Iowa.....	8, 129, 294	1, 758, 677
Kansas.....	5, 428, 056	282, 312
Kentucky.....	11, 051, 895	1, 787, 070
Maine.....	4, 086, 920	315, 652
Maryland.....	12, 070, 418	228, 075
Massachusetts.....	37, 621, 051	5, 696, 670
Michigan.....	45, 071, 077	676, 756
Minnesota.....	14, 228, 358	1, 825, 671
Mississippi.....	2, 179, 931	35, 934
Missouri.....	19, 499, 798	907, 729
Montana.....	2, 727, 634	26, 927
Nebraska.....	3, 904, 612	211, 449
Nevada.....	999, 399	127, 460
New Hampshire.....	2, 716, 544	164, 727
New Jersey.....	45, 353, 660	6, 239, 168
New Mexico.....	1, 416, 569	86, 399
New York.....	115, 729, 810	12, 033, 643
Ohio.....	55, 187, 155	11, 728, 450
Oklahoma.....	5, 561, 980	635, 337
Oregon.....	5, 613, 810	157, 510
Pennsylvania.....	77, 819, 029	15, 328, 823
Rhode Island.....	8, 128, 807	130, 669
South Carolina.....	3, 824, 854	601, 152
South Dakota.....	1, 121, 282	95, 587
Tennessee.....	8, 674, 908	1, 118, 171
Utah.....	2, 666, 182	131, 568
Virginia.....	10, 076, 625	1, 555, 624
Washington.....	8, 896, 850	512, 631
Wyoming.....	1, 387, 457	106, 818
States collecting monthly, total.....	70, 103, 470	5, 997, 659
District of Columbia.....	6, 254, 626	490, 549
Louisiana.....	8, 983, 330	731, 578
North Carolina.....	10, 122, 711	910, 204
North Dakota.....	916, 489	69, 733
Texas.....	20, 631, 228	1, 622, 975
Vermont.....	1, 390, 314	119, 124
West Virginia.....	9, 088, 359	677, 483
Wisconsin.....	12, 746, 413	1, 076, 015

¹ Includes contributions plus such penalties and interest collected from employers as are available for benefit payments.

² Adjusted for refunds of contributions and for dishonored contribution checks.

³ Some contributions collected on monthly basis.

Table 6.—State unemployment compensation funds available for benefits, cumulative collections and interest, and benefits charged, by States, as of Nov. 30, 1939

Data reported by State agencies,¹ corrected to Dec. 15, 1939]

[Amounts in thousands]

State	Month and year benefits first payable	Total funds available for benefits as of Nov. 30, 1939			Collections and interest ⁴			Benefits charged				Ratio (percent) of—		
		Amount ²	Per-centage change from Oct. 31, 1939	Index ³	Cumulative through Nov. 30, 1939		Collections Janu-ary-November 1939	Cumulative through November 1939 ⁵	Janu-ary-November 1939 ⁶	November 1939		1939 benefits to 1939 collections	Benefits to collections since benefits first payable	Total benefits to cumulative collections and interest
					Collections and interest ⁷	Collections ⁸				Amount	Per-centage change from October			
Total		\$1,548,707	+4.5	160.8	\$2,343,050	\$2,280,914	\$813,342	\$793,744	\$397,816	\$28,213	+6.1	* 51.2	62.9	33.9
States collecting quarterly:														
Alabama ⁹	Jan. 1938	12,023	+6.1	136.0	24,152	23,694	8,456	12,129	4,001	263	-9.6	47.3	81.1	80.2
Alaska	Jan. 1939	1,114	+15.8	125.9	1,430	1,403	530	316	316	21	+23.5	59.6	59.6	22.1
Arizona	Jan. 1939	2,713	+1.3	134.7	6,022	5,918	2,144	3,309	1,406	104	+5.0	65.6	84.3	54.9
Arkansas	Jan. 1939	7,141	+5.9	134.5	8,825	8,626	3,412	1,688	1,688	113	-5.0	49.5	49.5	19.1
California ⁹	Jan. 1938	152,086	+3.4	228.4	210,739	205,621	77,127	58,653	34,938	3,762	+55.7	45.3	42.1	27.8
Colorado	Jan. 1939	10,896	+2.6	121.8	14,127	13,732	5,007	3,231	3,231	170	+8.3	64.5	64.5	22.9
Connecticut	Jan. 1938	27,839	+3.2	(*)	45,534	44,627	16,630	17,096	4,842	261	-20.4	29.1	27.9	10.4
Delaware	Jan. 1939	5,711	+3.1	145.9	6,375	6,228	2,376	664	664	44	-8.3	49.9	49.9	19.4
Florida	Jan. 1939	13,315	+1.9	134.9	16,528	16,148	6,439	3,213	3,213	337	-34.3	38.2	38.2	12.6
Georgia	do	20,641	+5.1	133.2	23,624	23,063	7,811	2,983	2,983	237	-2.5	13.6	13.6	4.8
Hawaii	do	4,879	+5	150.1	5,124	5,005	1,804	245	245	42	+16.7	105.9	98.0	44.0
Idaho	Sept. 1938	3,141	+5.9	104.5	5,606	5,473	1,982	2,465	2,099	55	+27.9	40.9	40.9	7.2
Illinois	July 1939	174,942	+3.4	113.5	188,605	184,164	67,954	13,663	13,663	3,024	-3.1	47.2	61.0	43.2
Indiana	Apr. 1938	34,144	+1.6	126.0	60,104	58,634	20,453	25,960	9,652	616	+46.3	61.3	62.7	33.8
Iowa	July 1938	14,807	+11.9	148.6	22,373	21,863	8,129	7,566	4,980	178	-6.3	39.5	39.5	13.8
Kansas	Jan. 1939	13,679	+1.2	134.4	15,821	15,422	5,428	2,142	2,142	122	+6.1	42.3	42.3	15.4
Kentucky ⁹	do	25,709	+6.5	135.8	30,382	29,562	11,052	4,673	4,673	210	-11.0	68.0	100.9	65.8
Maine	Jan. 1938	3,807	+3.5	101.3	11,123	10,967	4,087	7,316	2,781	199	+14.5	44.7	61.2	38.3
Maryland	do	16,153	-6	178.3	31,689	31,186	12,070	15,536	5,392	325	+4.2	78.9	128.3	61.1
Massachusetts	do	72,516	+9.2	173.6	117,547	114,811	37,621	45,031	17,933	1,473	+8.3	47.7	61.2	38.3
Michigan	July 1938	48,015	-2.5	75.9	123,462	121,104	45,071	75,447	35,544	1,895	+9.7	49.6	57.8	36.2
Minnesota	Jan. 1938	23,627	+6.7	198.1	38,838	38,096	14,228	15,211	7,050	339	-6	60.9	69.0	36.2
Mississippi	Apr. 1938	4,261	-1.2	146.1	7,003	6,841	2,180	2,762	1,328	89	+20.3	25.5	25.5	8.1
Missouri	Jan. 1939	49,319	+1.8	144.9	54,293	53,025	19,500	4,964	4,964	497	+42.0	42.0	42.0	7.4
Montana	July 1939	7,041	-1.8	113.1	7,605	7,419	2,728	564	564	154	+11.6	30.7	30.7	10.8
Nebraska	Jan. 1939	9,936	+1.4	140.3	11,134	10,874	3,905	1,198	1,198	76	+18.8	77.7	77.7	29.2
Nevada	do	1,767	+3.5	115.6	2,497	2,440	939	730	730	69	+21.7	51.1	75.4	41.7
New Hampshire	Jan. 1938	5,761	+4	135.6	9,881	9,652	2,717	4,120	1,390	138	+46.8	30.8	30.8	12.3
New Jersey ⁹	Jan. 1939	99,482	+5.7	149.2	113,462	110,560	45,354	13,980	13,980	860	+14.1	80.3	80.5	29.1
New Mexico	Dec. 1938	2,798	+1	113.8	3,945	3,839	1,417	1,147	1,138	83	-3.5	64.4	67.2	46.9
New York	Jan. 1938	182,915	+4.0	186.0	344,756	337,728	115,730	161,841	74,510	5,018	+6.2	38.3	38.3	13.6
Ohio	Jan. 1939	133,976	+8.5	136.9	155,121	150,761	55,187	21,145	21,145	1,211	-1.5	71.3	66.0	21.2
Oklahoma	Dec. 1938	15,039	+4.7	119.0	19,076	18,516	5,562	4,037	3,966	263	+12.4	66.8	83.6	55.8
Oregon	Jan. 1938	8,009	-6	136.8	17,723	17,388	5,614	9,714	3,708	207	+14.4	65.7	89.8	59.7
Pennsylvania	do	97,846	+15.3	138.7	221,372	217,413	77,819	123,526	51,981	2,330	-14.5	52.2	43.7	20.8
Rhode Island ⁹	do	9,885	-1.7	124.5	24,522	24,122	8,129	14,637	5,344	306	-22.5	32.9	32.9	11.8
South Carolina	July 1938	9,850	+4.8	157.2	12,440	12,077	3,825	2,590	1,995	146	+2.8	48.7	67.1	44.0
South Dakota	Jan. 1939	2,770	+3.1	140.1	3,139	3,050	1,121	369	369	16	-61.0	58.5	85.0	54.6
Tennessee	Jan. 1938	13,218	+6.2	170.0	23,587	23,130	8,675	10,369	4,225	349	+9.9	42.0	53.7	36.2
Utah	do	3,369	+1.3	131.6	7,416	7,287	2,666	4,047	1,585	89	-2.2	62.4	62.4	19.7
Virginia	do	17,347	+8.3	207.3	27,210	26,643	10,077	9,843	4,228	229	-4.2	76.6	76.6	27.7
Washington	Jan. 1939	22,597	+3	119.6	28,145	27,461	8,897	5,548	5,548	443	+31.8	43.7	43.7	23.5
Wyoming	do	2,771	+1.7	115.4	3,833	3,746	1,387	1,062	1,062	61	+32.6	21.2	23.7	15.8
States collecting monthly:														
District of Columbia	Jan. 1938	15,947	+2.6	270.6	18,942	18,407	6,255	2,995	1,333	91	+3.4	62.5	53.7	36.9
Louisiana ⁹	do	16,408	+2.4	214.4	26,011	25,429	8,953	6,603	5,596	341	-6.8	41.5	62.4	41.7
North Carolina	do	17,362	+4.4	184.4	29,774	29,193	10,123	12,412	4,196	178	-17.2	55.8	55.8	17.9
North Dakota	Jan. 1939	2,340	+1.4	123.4	2,851	2,782	916	511	511	37	+85.0	47.7	45.3	30.2
Texas	Jan. 1938	44,253	+2.1	224.0	63,436	61,866	20,631	19,183	9,839	734	+5	38.4	48.3	31.6
Vermont	do	2,939	+2.9	208.1	4,294	4,201	1,390	1,355	534	35	-5.4	44.7	89.5	56.5
West Virginia	do	12,393	+7.0	121.5	28,520	28,109	9,088	16,127	4,061	164	-37.6	25.7	43.7	23.5
Wisconsin	July 1936	48,210	+1.8	159.2	63,038	60,608	12,746	14,828	3,273	219	+9			

¹ Except interest earned on funds in State accounts in the unemployment trust fund which is credited and reported by the U. S. Treasury in last month of each quarter.

² Represents sum of balances at end of month in State clearing account, benefit-payment account, and unemployment trust fund account maintained in the U. S. Treasury.

³ For all States except Wisconsin, index is based on funds available for benefits as of end of month prior to that in which benefits were first payable; Wisconsin index is based on funds available as of Dec. 31, 1937.

⁴ Includes contributions plus penalties and interest collected from employers since contributions were first payable. Figures are adjusted for refunds of contributions and for dishonored contribution checks. Employer contributions of 2.7 percent are collected in all States except the District of Columbia and Michigan, where the rate is 3 percent. In New York, rate is 3 percent for employers covered by State law but not covered by Federal law; those employers covered by Federal law pay 2.7 percent.

⁵ Includes refund of \$40,561,886 by Federal Government to 13 States, Alaska,

and Hawaii collected on pay rolls for year 1936 under title IX of the Social Security Act.

⁶ Adjusted for voided benefit checks.

⁷ Excludes Connecticut. See footnote 10.

⁸ Figures for Illinois and Montana represent ratio of benefits to collections since benefits first became payable in July 1939.

⁹ Employee contributions of 1.5 percent are collected in Rhode Island; 1 percent in Alabama, California, Kentucky, and New Jersey; and 0.5 percent in Louisiana.

¹⁰ Under provision of the Connecticut law, administrative grants equal to the preliminary and "liquidating" amount to be transferred to the railroad unemployment insurance account are to be withheld by the Social Security Board, and the State is permitted to withdraw from unemployment compensation funds the amount necessary for administrative purposes up to the amount so withheld. As of Nov. 30, 1939, \$598,524 had been withheld.

¹¹ Includes \$2,147,000 in benefits charged prior to January 1938.

¹² Computed on basis of collections and benefits charged since Jan. 1, 1938.

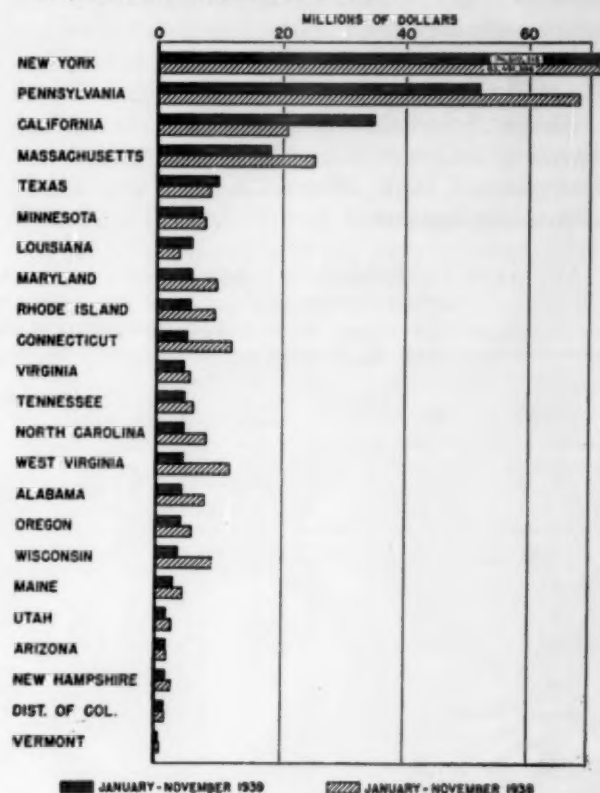
States, increases exceeded 25 percent. Labor disputes in the automobile industry indirectly contributed to the increased receipts in Indiana and Michigan. Declines in continued claims occurred in 10 States, with four States showing reductions of more than 20 percent.

The volume of both initial and continued out-of-State claims expanded during November. A total of 28,000 initial out-of-State claims was received by the 50 State agencies reporting these data, in contrast with 27,000 in October and 39,000 in January 1939, the month which marked the peak of receipts of such claims. The volume received in November represented 4 percent of the total number of initial claims received in all local offices. Except for the month of October, Alaska has regularly shown the highest proportion of out-of-State claims received as a liable State. The volume of such claims in Wyoming, which reported the next highest proportion, was equivalent to 40 percent of total local-office receipts during the month. In 12 States, the majority of which were in the West, initial out-of-State claims represented from 10 to 23 percent of total local-office receipts. Continued out-of-State claims, reported by 49 States, totaled 168,000, in contrast with 159,000 in October. This volume represented 4.5 percent of the total number of continued claims received in local offices.

The number of individuals receiving benefits in the week ended November 18 totaled 637,000, representing an increase of 27 percent from the midweek of October. This increase was somewhat inflated because of the observance of Columbus Day during the midweek of October. Not only did 40 States report increases, but half of this group showed gains of 30 percent or more in the number of workers receiving benefits. The largest increases occurred in Alaska, Indiana, Colorado, Missouri, Mississippi, New Jersey, New York, North Dakota, and Tennessee; in New Hampshire the number doubled. Reductions amounted to more than 25 percent in Florida, Rhode Island, South Dakota, and West Virginia.

Approximately 282,000 new claims were authorized for payment during November, an increase of 7 percent over the preceding month. It is estimated that since the beginning of the year, there

Chart III.—Total amount of benefit payments in 23 States first paying benefits in January 1938, for January–November of 1938 and 1939



have been 4.4 million new authorizations to pay benefits; this figure represents the minimum number of individual recipients of unemployment benefits through November of this year. In addition to these claimants, an indeterminate number of workers who had filed new claims last year will have received some benefits this year. In 16 of the 34 States showing increases there were expansions of more than 25 percent. The largest increase among the States occurred in California, where authorizations totaled 37,577. The largest reductions—55 and 46 percent—were shown by West Virginia and Pennsylvania, respectively.

The number of claimants exhausting wage credits or benefit rights during November in the 49 States reporting comparable data for both October and November was approximately the same as in October, notwithstanding increases in 28 States. The most pronounced increase in

claimants exhausting their maximum benefit amounts was shown for Mississippi, where 2½ times as many claimants exhausted rights in November as in October. In 5 other States the number was at least 60 percent higher than in October. The slight decrease shown for the month reflected for the most part the fewer number of exhaustions occurring in Connecticut, Florida, Massachusetts, Pennsylvania, and Wisconsin. On the whole, exhaustions continued to fall short of authoriza-

tions—that is, the number of workers who began to draw benefits was greater than the number who exhausted their rights. Exhaustions exceeded authorizations only in Arizona, Florida, Massachusetts, Rhode Island, and West Virginia. Complete placements made by the public employment offices totaled more than 289,400, of which nearly 249,000 were in jobs with private employers.

Although placements in private jobs were 19 percent lower than in October, they were 40

Table 7.—Activities of public employment services in the United States, by States, November 1939

[Data reported by State agencies, corrected to Dec. 15, 1939]

State	Placements ¹					New applications		Active files as of Nov. 30, 1939	
	Total	Private			Public,	Number	Percentage change from October		
		Number	Percentage change from October	Regular (over 1 month)	Temporary (1 month or less)				Number
Total.....	289,444	248,934	-19	124,516	124,418	40,510	538,972	-1	5,621,607
Alabama.....	3,665	3,271	-18	2,249	1,022	394	12,460	+8	155,634
Alaska.....	266	126	-36	28	98	140	356	-16	2,300
Arizona.....	4,525	4,180	+8	3,425	755	345	4,247	+30	20,371
Arkansas.....	2,779	2,003	-40	893	1,110	778	4,690	-1	58,819
California.....	19,104	17,514	-25	7,953	9,561	1,590	53,283	+11	460,823
Colorado.....	3,193	2,790	-51	1,104	1,686	403	4,663	+2	63,728
Connecticut.....	5,071	4,188	-23	2,401	1,787	883	5,050	+1	81,817
Delaware.....	1,812	1,641	-26	975	666	171	809	+1	12,108
District of Columbia.....	3,355	2,920	-15	1,277	1,643	435	4,249	+5	25,809
Florida.....	4,949	4,084	-30	3,424	660	865	13,585	+31	74,506
Georgia.....	6,558	5,184	-19	2,686	2,498	1,374	13,930	-2	184,211
Hawaii.....	434	285	-21	144	141	149	1,126	-24	8,827
Idaho.....	2,154	1,754	-65	707	1,047	400	2,464	-6	15,113
Illinois.....	13,539	13,390	(²)	6,758	6,641	140	32,151	+6	206,540
Indiana.....	7,905	7,685	-14	4,528	3,157	220	19,478	+8	195,473
Iowa.....	6,638	5,091	-18	1,909	3,182	1,547	5,234	+9	86,280
Kansas.....	2,956	2,578	-9	1,006	1,572	378	4,995	+5	37,810
Kentucky.....	2,664	2,147	-14	1,257	890	517	7,686	-27	81,827
Louisiana.....	5,277	4,675	-22	3,554	1,121	602	7,911	+1	100,413
Maine.....	1,455	1,158	-14	841	317	297	2,463	-11	33,028
Maryland.....	3,831	3,189	-5	1,841	1,348	642	6,399	+3	61,361
Massachusetts.....	3,929	3,324	-1	2,564	760	605	18,535	+11	167,112
Michigan.....	10,441	9,459	-19	5,913	3,546	982	20,067	(²)	226,244
Minnesota.....	6,033	5,089	-20	2,535	2,554	944	6,542	-6	130,260
Mississippi.....	5,079	2,002	-60	1,402	600	3,077	10,531	-27	86,049
Missouri.....	7,232	6,402	-50	2,876	3,526	830	18,512	-9	141,611
Montana.....	1,152	733	-39	364	369	419	1,462	+3	26,806
Nebraska.....	2,433	1,342	-41	600	742	1,091	2,577	-14	43,602
Nevada.....	977	805	-19	408	397	172	1,150	+11	6,015
New Hampshire.....	2,134	1,550	-32	1,150	400	584	2,482	+40	25,477
New Jersey.....	10,466	10,139	-14	6,189	3,950	327	19,622	-3	277,808
New Mexico.....	2,105	1,959	-62	998	961	146	1,592	-1	36,227
New York.....	23,519	20,805	-5	9,991	10,814	2,714	69,812	-16	541,086
North Carolina.....	7,268	5,090	-36	2,791	2,299	2,178	11,498	+1	75,057
North Dakota.....	2,277	2,001	-31	729	1,272	276	1,554	(²)	23,670
Ohio.....	14,231	13,544	-8	7,108	6,436	687	23,140	+2	259,174
Oklahoma.....	4,603	3,930	-17	808	3,122	673	8,900	+10	80,536
Oregon.....	5,343	4,374	-24	1,486	2,888	969	5,957	+9	35,827
Pennsylvania.....	13,368	10,828	-10	7,500	3,328	2,540	27,114	-9	419,573
Rhode Island.....	1,091	853	-17	562	291	238	3,002	+11	42,318
South Carolina.....	2,614	1,565	-32	949	616	1,049	5,278	-5	106,658
South Dakota.....	1,169	772	-8	265	507	397	1,339	-13	34,081
Tennessee.....	4,000	3,443	-59	2,029	1,414	557	8,317	-9	134,245
Texas.....	33,823	31,369	+24	6,143	25,226	2,454	31,622	+10	295,746
Utah.....	1,636	1,358	-38	961	397	278	1,758	-11	21,986
Vermont.....	911	698	-9	346	352	213	954	+31	15,219
Virginia.....	4,437	3,477	-29	2,311	1,166	960	7,859	-3	46,871
Washington.....	4,052	3,313	-47	1,590	1,723	739	7,743	-3	102,679
West Virginia.....	3,979	3,284	(²)	1,813	1,471	695	3,785	+2	66,701
Wisconsin.....	6,219	5,111	-27	2,973	2,138	1,108	8,256	-4	167,109
Wyoming.....	793	453	-58	202	251	340	723	+3	8,603

¹ Preliminary.

² Decrease of less than 1 percent.

³ Increase of less than 1 percent.

percent above the level of November last year and 58 percent above the number reported for November 1937. The 40,500 placements in public employment reported for the month, however, were less than the number for November for either of the previous years, reflecting curtailment in public works programs.

In addition to these complete placements, employment offices participated in making 59,600 supplemental placements. In these jobs, the offices were of material assistance in bringing

worker and employer together, although they did not carry on all the steps in completing the placement transaction.

Private placements were lower than the October levels throughout the country, with only Texas and Arizona reporting increases. Declines in agricultural placements were largely responsible for the decreases reported by many of the States. The largest declines occurred in the Mountain and East South Central areas, where reductions of 44 and 43 percent, respectively, were reported. The

Table 8.—Status of State accounts in the unemployment trust fund, fiscal year 1939-40¹

State	Balance as of June 30, 1939	Fiscal year 1939-40 through November			
		Contributions deposited	Interest credited ²	Withdrawals	Balance
Total.....	\$1,273,608,566	\$407,103,683	\$8,301,058	\$166,715,524	\$1,522,207,783
Alabama.....	9,307,069	4,159,310	61,627	1,800,000	11,728,086
Alaska.....	820,020	310,603	5,257	110,000	1,025,880
Arizona.....	2,086,306	1,040,000	13,550	590,000	2,579,856
Arkansas.....	5,785,859	1,676,100	38,041	530,000	6,970,000
California.....	124,084,183	38,685,000	818,069	14,550,000	149,037,252
Colorado.....	9,437,208	2,429,881	59,651	1,070,000	10,856,740
Connecticut.....	21,564,842	8,337,000	145,054	2,398,524	27,648,372
Delaware.....	4,626,624	1,135,000	30,370	200,000	5,591,994
District of Columbia.....	13,153,394	2,768,306	86,649	475,000	15,533,349
Florida.....	12,587,024	2,230,000	78,353	2,575,000	12,320,377
Georgia.....	17,566,654	3,500,000	111,842	1,300,000	19,878,496
Hawaii.....	4,004,524	952,341	25,847	170,000	4,812,712
Idaho.....	2,326,893	1,002,198	15,611	250,000	3,094,702
Illinois.....	183,885,221	33,450,000	1,000,265	15,000,000	173,335,486
Indiana.....	27,165,249	9,958,411	180,257	3,250,000	34,053,917
Iowa.....	11,783,903	3,150,000	75,962	1,100,000	13,909,865
Kansas.....	11,533,660	2,574,709	75,788	588,000	13,596,157
Kentucky.....	21,540,918	5,010,000	138,435	1,483,000	25,206,351
Louisiana.....	13,644,131	4,125,000	87,562	2,075,000	15,781,693
Maine.....	2,354,990	2,045,000	18,659	765,000	3,651,649
Maryland.....	10,774,721	6,000,000	78,027	1,725,000	15,127,748
Massachusetts.....	60,442,824	19,040,000	393,690	7,800,000	72,076,514
Michigan.....	43,775,273	22,243,909	269,435	19,150,000	47,138,617
Minnesota.....	17,323,892	7,100,000	118,375	1,600,000	22,942,267
Mississippi.....	3,256,903	1,285,000	21,391	340,000	4,223,294
Missouri.....	41,506,791	9,350,000	271,697	2,425,000	48,703,438
Montana.....	6,049,175	1,350,000	37,058	670,000	6,766,233
Nebraska.....	8,099,793	1,880,000	53,745	325,000	9,708,538
Nevada.....	1,560,488	470,000	9,954	315,000	1,725,442
New Hampshire.....	4,539,884	1,629,900	30,243	630,000	5,579,027
New Jersey.....	80,565,568	22,658,000	520,779	4,525,000	99,219,347
New Mexico.....	2,515,113	700,000	16,098	475,000	2,756,211
New York.....	140,859,300	67,395,000	939,112	30,000,000	179,193,412
North Carolina.....	13,641,072	4,755,000	89,742	1,350,000	17,135,814
North Dakota.....	1,974,155	420,000	12,897	127,000	2,290,052
Ohio.....	113,312,081	27,982,739	727,781	9,000,000	133,022,601
Oklahoma.....	12,848,582	3,215,000	83,190	1,185,000	14,961,772
Oregon.....	6,478,010	2,443,282	41,071	1,100,000	7,862,363
Pennsylvania.....	73,767,326	37,063,000	491,656	17,500,000	95,821,982
Rhode Island.....	7,538,242	4,679,190	50,224	2,520,000	9,747,656
South Carolina.....	8,982,305	1,450,000	55,810	950,000	9,538,115
South Dakota.....	2,235,484	540,000	14,635	74,000	2,716,119
Tennessee.....	10,636,099	4,190,000	71,270	1,780,000	13,137,369
Texas.....	37,562,327	9,235,000	246,398	3,800,000	43,243,725
Utah.....	2,564,699	1,330,000	17,416	600,000	3,312,115
Vermont.....	2,285,813	659,158	14,963	175,000	2,784,934
Virginia.....	13,603,562	4,525,000	88,899	1,450,000	16,767,461
Washington.....	19,040,965	5,125,000	123,079	1,850,000	22,445,044
West Virginia.....	8,893,849	3,982,000	56,355	1,600,000	11,332,204
Wisconsin.....	43,405,286	5,222,458	276,380	1,200,000	47,704,124
Wyoming.....	2,304,284	646,188	14,839	245,000	2,720,311

¹ Federal contributions from employers have been collectible in all States since Jan. 1, 1938. Employee contributions on wages earned are also required by Alabama, California, Kentucky, Louisiana, New Jersey, and Rhode Island. For data for fiscal years 1937-38 and 1938-39, see the *Bulletin*, August 1939, p. 79.

² Interest is credited at the end of each quarter of fiscal year.

³ Under provision of the Connecticut law, administrative grants equal to the preliminary and "liquidating" amount to be transferred to the railroad

unemployment insurance account are to be withheld by the Social Security Board, and the State is permitted to withdraw from unemployment compensation funds the amounts found necessary for administrative purposes, up to the amount so withheld. As of Nov. 30, 1939, \$598,524 had been withheld.

Source: Compiled from data furnished by the U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits.

highly industrialized Middle Atlantic area reported the smallest decrease—approximately 8 percent.

At the close of November 5.6 million active job seekers were registered at the public employment offices, 3 percent more than in October. This is the first increase in 1939 in the active files and follows an almost uninterrupted decline from the level of 8.1 million reported in August 1938. Increases in the number of job seekers registered with public employment offices were reported in 31 States. Of the total registrants, 4.2 million were men and 1.4 million were women. New applications for work totaled 539,000, and decreased 1 percent from October, despite increases in 29 States.

Total funds available for benefits at the close of November aggregated more than \$1.5 billion, a gain of 5 percent over October. The largest relative increases, all in excess of 10 percent, occurred in Alaska, Iowa, and Pennsylvania. Available funds for benefits increased 5.0 percent or more in 12 other States. Reductions were reported by Maryland, Michigan, Mississippi, Montana, Oregon, and Rhode Island; the largest decline, of 2.5 percent, occurred in Michigan. Michigan had approximately 76 percent of its original reserve available for benefits at the close of November; this was the only State whose funds were less than at the time payments of benefits began. For the first time since February 1938, available funds in Maine approximated the amount available when benefits first became payable. On the other hand, funds available for benefits in the District of Columbia were about 2½ times as large as those originally on hand. Reserves have more than doubled since the initiation of benefit payments in 5 other States—California, Louisiana, Texas, Vermont, and Virginia.

Benefit payments charged to State accounts for the current year, through November, amounted to \$398 million, representing 51 cents paid out for each dollar of contributions received during the year. Idaho was the only State in which benefits have exceeded contributions for this year. Michigan, Nevada, New Mexico, and Wyoming were the only other States to pay more than 75 cents for each dollar collected during 1939. The total of \$794 million charged since benefits first were payable represents an average of 63 cents for each dollar collected since the initiation of benefit payments in the several States.

Industrial and Occupational Classifications of Third-Quarter Placements

Placements made by the public employment office system during the third quarter of 1939 are of particular interest not only because of the general marked increase in volume but also because this was the first period of placement operations since benefits were being paid in all States. It was expected that the unemployment compensation program would widen the opportunities of the public employment offices for placement work, both from the standpoint of increased contact with employers and from the fact that a greater number of highly employable applicants would be brought into the offices.

During the third quarter of 1939 the public employment offices made nearly a million complete placements, a gain of one-quarter over the volume of placements in the same months of 1938. It is notable that this gain was achieved despite a drop in public placements, in which the opportunities for placement were restricted by limitations of public appropriations. Placements with private employers, which numbered more than three-quarters of a million, were over one-third higher than in the corresponding 1938 period and were higher than for any previous 3-month

Table 9.—All placements of men and women made by public employment services, by major industrial groups, July–September 1939

Industrial group	Men			Women		
	Number	Percentage distribution	Percentage change from July–September 1938	Number	Percentage distribution	Percentage change from July–September 1938
Total.....	636,497	100.0	+17.4	337,947	100.0	+42.1
Agriculture, forestry, and fishing.....	120,185	18.9	+32.5	16,684	4.9	+115.9
Extraction of minerals.....	5,587	.9	+4.6	83	(1)	+7.8
Building and construction, total.....	233,435	36.7	+5.4	382	.1	+4.7
Private.....	40,937	6.5	+33.2	294	.1	+45.2
Public.....	192,498	30.2	+9	88	(1)	-47.6
Manufacturing.....	85,914	13.5	+30.4	63,980	18.9	+34.1
Professional, commercial, and mechanical services.....	28,311	4.4	+21.0	14,965	4.4	+43.0
Distribution.....	43,410	6.8	+51.0	40,680	12.1	+64.1
Personal service, hotels, restaurants, etc.....	79,901	12.5	+39.3	197,899	58.6	+38.5
Governmental service.....	16,951	2.7	+33.5	1,790	.5	+16.2
Transportation, communication, and public utilities.....	14,097	2.2	+17.6	839	.3	+81.2
Work-relief projects.....	8,695	1.4	+64.5	634	.2	+60.4
Unspecified.....	11	(1)	-65.6	11	(1)	-81.7

¹ Less than 0.1 percent.

Table 10.—Private placements of men and women made by public employment services, by major occupational groups, July–September 1939

Occupational group	Men			Women		
	Number	Percentage distribution	Percentage change from July–September 1938	Number	Percentage distribution	Percentage change from July–September 1938
Total.....	418,353	100.0	+33.2	335,435	100.0	+43.1
Professional and kindred workers.....	5,282	1.3	+38.3	2,461	.8	+41.1
Salespersons.....	19,138	4.6	+58.3	24,768	7.4	+47.3
Clerical workers.....	10,298	2.5	+53.4	22,379	6.7	+58.1
Service workers.....	69,679	16.6	+38.0	201,045	59.9	+38.5
Craftsmen.....	48,220	11.5	+38.4	7,154	2.1	+34.6
Production workers.....	57,991	13.9	+16.5	46,351	13.8	+39.3
Physical-labor workers.....	207,270	49.5	+32.9	31,171	9.3	+76.2
Unspecified.....	475	.1	+4.4	106	0	-64.2

period in the history of the public employment system. Although the gain in private placements represents principally expanding activity on the part of the employment offices during a period of increasing general employment, it also reflects a trend which has been in evidence for several years.

During the early years of the Nation-wide public employment office system, the major portion of placements was made in public employment; this category included jobs filled on various types of work projects as well as placements with regular government agencies—Federal, State, and local. Not until the fiscal year ended June 30, 1937, did the volume of private placements approximate that with public units. In each year since that time private placements have accounted for an increasingly larger portion of the total number of jobs filled. In the third quarter of this year private placements were more than 77 percent of all complete placements; in the same 3 months of 1938 they were 70 percent.

The relative gains in the total number of placements of women were much larger than for men. Placements of men, which numbered 636,497 in the July–September quarter of 1939, were slightly less than one-fifth above the level of the same quarter a year earlier, while those of women were over two-fifths higher. In private jobs, placements of men were one-third above those of the previous year, while those for women were two-fifths higher. As a result, men accounted for but 65 percent of the placement total in the 1939

period, compared to some 70 percent of the total a year earlier. In jobs with private employers, however, the relative proportion of men placed declined only slightly and in actual volume increased greatly.

A widening of the scope of employment service facilities is indicated by an expansion in the industrial groups in which placements were made as well as by the increased volume. During the third quarter of 1939 placements were less heavily concentrated in a few groups, and the increasing activity of the public employment offices in the important fields of manufacturing and distribution (wholesale and retail trade) was reflected in the expanded placements of male applicants. Total placements of men in the distribution field were over 50 percent larger in the 1939 quarter than one year earlier, while in manufacturing a gain of nearly one-third was reported.

As in the past, the largest number of placements of men was in the building and construction industry. However, although placements in the private building and construction section of the industry rose one-third in volume over the same period in 1938, total jobs filled in the industry dropped slightly in relative proportion, because of the lack of increase in public building and construction. Of the total placements in the industry, about four-fifths were on public jobs, one-fifth on private.

The second largest field in which men were placed was agriculture, forestry, and fishing. Complete placements of this type accounted for nearly one-fifth of all placements of men; the rate of increase from the level of the preceding year in the number of jobs filled in such work was nearly double the average increase in placements of men. Moreover, in addition to the complete placements, a large number of supplemental farm placements were made. These include instances in which the offices refer workers to employers but do not execute all formal steps of registration and selection. The public employment system gives particular attention to the problems of agricultural labor, and in 18 States the regular offices are assisted by special farm-placement facilities.

The third largest number of male placements was in the field of manufacturing, followed closely by placements in the service industries. These four leading industrial groups accounted for some four-fifths of all placements during the quarter,

although the significant gains in the distribution and the professional and miscellaneous commercial and mechanical fields—the fifth and sixth groups in order of size—brought the aggregate of such placements to nearly one-eighth of the total for all placements of men.

Increased diversification in placements of women also occurred, although such placements are much more highly concentrated than those for men. More than half of all placements of women were in the field of personal service, almost one-fifth in the field of manufacturing, and one-eighth in distribution. These three groups together accounted for 90 percent of the placements of women in the third quarter of 1939. Although relatively small in total volume, the largest relative gains in the placements of women occurred in the fields of agriculture, forestry, and fishing, and in transportation and communication, while significant increases occurred in the field of distribution. Placements in personal-service jobs, however, fell slightly in relative importance; gains in this field were less than the average gain for all placements of women.

In the occupational groups, also, the trend toward diversity of placements was evident for men and to a somewhat lesser degree for women. Although during the third quarter of both 1938 and 1939 nearly half of the placements of men were in physical-labor jobs, there was a significant

increase in the proportion of placements in white-collar occupations in the latter year. In the 1939 quarter, private placements in sales and clerical jobs were more than 50 percent above the level of a year earlier, and those in professional callings nearly 40 percent. The three groups together accounted for 8.4 percent of all private placements of men, whereas one year earlier they aggregated 7.2 percent of such placements. Placements of men in skilled-craft jobs increased significantly, as did those in service occupations, while placements in semiskilled occupations, although likewise increasing in number, accounted for a smaller proportion of private jobs filled.

Similar trends were apparent in somewhat lesser degree for women. Here, although the number of placements in all occupational groups increased greatly, the proportion of private placements in service occupations declined slightly notwithstanding the large increase in actual number, while the proportion of white-collar jobs increased in relative importance. Unlike the experience for men, however, placements of women in unskilled physical-labor jobs gained sharply both in relative importance and in volume. Placements of women in skilled and semiskilled production jobs, on the other hand, declined slightly in relative proportion, although they were more than one-third above 1938 in actual volume.

RAILROAD UNEMPLOYMENT INSURANCE*

In the 5 weeks ended December 1, the regional offices of the Railroad Retirement Board received a total of 102,063 unemployment claims under the Railroad Unemployment Insurance Act. The average number of claims received per week in November was slightly smaller than the weekly average for October and considerably below the weekly average for the first quarter of operations (table 11). The figures week by week, however, clearly show that the decline in claims receipts, which began late in September and continued in October, was reversed in November. The change occurred early in the month. The receipts during the weeks ended November 10 and 17 were somewhat larger than during the 2 preceding weeks. Large increases in the number of claims received

were shown for the weeks ended November 24 and December 1.

The addition to the claims load must have originated, in part, with workers who have become unemployed for the first time since the beginning of railroad unemployment insurance. This inference is based on the large increase in applications for certificate of benefit rights, which are submitted on the first day of unemployment. The average number of applications per week received in November was nearly double the average in October. Receipts of applications were particularly large beginning with the week ended November 10. Since there is a lag of 14 days between the submission of an application and the filing of the first claim, the marked increase in claims receipts in the week ended November 24 is related to the pronounced bulge in the series for applications in the week ended November 10.

*Prepared by the Bureau of Research and Information Service, Railroad Retirement Board, in collaboration with the Bureau of Research and Statistics, Social Security Board.

Table 11.—Railroad unemployment insurance: Applications for certificate of benefit rights and claims received, certificates of waiting-period credit issued, and benefit payments certified, June–November 1939

Period	Applications received	Claims received	Certificates of waiting-period credit issued	Benefit payments certified		
				Number	Total amount	Average amount
Cumulative through Dec. 1.....	138,598	534,150	110,400	310,320	\$4,629,535	\$14.92
Cumulative through Oct. 27 ¹	117,333	432,096	96,605	239,445	3,542,206	14.79
Oct. 28–Dec. 1.....	21,265	102,053	13,795	70,875	1,087,329	15.34
Week ended—						
Nov. 3.....	2,803	19,529	1,845	13,684	211,778	15.48
Nov. 10.....	5,146	17,724	1,888	13,787	205,925	14.96
Nov. 17.....	3,950	19,673	2,001	13,405	207,363	15.47
Nov. 24.....	4,202	22,004	4,311	14,917	229,982	15.42
Dec. 1.....	5,164	23,133	3,750	15,102	232,281	15.38
Weekly averages:						
Period ended						
Sept. 1 ¹	8,965	26,151	8,158	12,838	191,372	14.91
Sept. 2–Sept. 29.....	2,457	27,960	3,735	21,737	317,349	14.60
Sept. 30–Oct. 27.....	2,223	21,223	2,061	15,658	233,302	14.90
Oct. 28–Dec. 1.....	4,253	20,413	2,759	14,175	217,466	15.34

¹ For weekly figures for the period through Oct. 27, see the *Bulletin*, December 1939, p. 50, table 11, and the references given in footnote 1 to that table.

² Number of weeks used to obtain weekly averages for period ended Sept. 1 is as follows: for applications, 11 (June 16–Sept. 1); for claims and certificates of waiting-period credit, 9 (July 1–Sept. 1); for benefit payments, 7 (July 16–Sept. 1).

Supporting evidence of the relationship between the increase in the claims load and new unemployment is found in the figures for certificates of waiting-period credit issued. These certificates are issued to claimants who have not previously served their waiting period and who have, in the current registration period of 15 consecutive days, registered with respect to at least 8 days of unemployment. The increase in this series began in the week ended November 10 and was particularly marked in the weeks ended November 24 and December 1, the weeks in which the number of claims received also showed large increases.

The additions to unemployment among the eligible employees were probably concentrated in the maintenance-of-way group. The seasonal peak of work in this branch of service is generally reached in October and is followed by large reductions in employment in November; the normal seasonal decline in employment approximates 10 percent. No other branch of service shows seasonal decreases of this magnitude in the course of a single month. According to the preliminary figures of the Interstate Commerce Commission for class I railroads, the number of employees at the middle of November was below the number

at the middle of October by about 20,000 in maintenance of way and structures and by about 2,000 in the station-and-platform group. No other classes of service showed any decline in November. The reflection of the drop in maintenance-of-way employment in the figures for unemployment insurance applications and claims is necessarily attenuated because of the minimum-earnings qualification. Compilations for 1938 prepared by the Railroad Retirement Board show that about 36 percent of the class I railroad employees in maintenance of way and structures had compensation for the year below the qualifying minimum of \$150. These low-wage and short-service employees are generally the first to be affected by any reduction of forces.

In the 5 weeks ended December 1, 70,875 certifications for benefit payments were made, amounting to \$1,087,329. Although the average number of benefit certifications per week was lower in November than in the preceding 2 months, an increase in certifications was shown in the weeks ended November 24 and December 1. That this increase is likely to continue is foreshadowed by the series on certificates of waiting-period credit issued.

The total number of benefit payments certified by December 1 was 310,320 and the total amount, \$4,629,535. These payments were certified for 81,928 eligible employees, according to an inven-

Table 12.—Railroad unemployment insurance: Average benefit payment, average daily benefit amount, and average number of compensable days of unemployment for benefit certifications, Sept. 2–Oct. 27, 1939¹

Period	Average benefit payment	Average daily benefit amount	Average number of compensable days	Percent of certifications	
				With 8 to 14 days of unemployment	With 15 days of unemployment
Sept. 2–29.....	\$14.60	\$2.32	6.32	44.0	56.0
Sept. 30–Oct. 27.....	14.90	2.29	6.49	41.6	58.4
Week ended—					
Oct. 6.....	15.10	2.31	6.54	40.1	59.9
Oct. 13.....	14.49	2.29	6.31	46.1	53.9
Oct. 20.....	15.20	2.28	6.58	38.5	61.5
Oct. 27.....	14.68	2.28	6.46	42.5	57.5

¹ All data, except average benefit payment, are based on 20-percent sample of benefit certifications for each day in each regional office. For average benefit payment, see the *Bulletin*, December 1939, p. 50, table 11. For weekly fluctuations Sept. 2–29, see the *Bulletin*, December 1939, p. 51, table 12.

tory of benefit accounts carried out in the middle of November and now maintained currently. The total number of employees for whom one or more benefit payments have been certified by December 1 should be compared with the total number of applications for certificate of benefit rights received by October 27 and the total number of certificates of waiting-period credit issued by November 17. These dates allow for the necessary lags—if unemployment is continuous—between the submission of an application, the completion of the waiting period, and the certification of the first benefit payment. On this basis it appears that, of 117,333 employees from whom applications were received by October 27, 102,339 were unemployed long enough by November 17 to have completed their waiting period and 81,928 were unemployed long enough by December 1 to have been certified for at least one benefit payment. Of the latter group, 610 have had so much unemployment that they have been certified for payments equal to 80 times their daily benefit amount and have therefore exhausted their benefit rights for the current benefit year.

The average payment per benefit certification in November was \$15.34, as compared with \$14.90 in October. This increase is probably explained by the larger number of days of unemployment per certification in November. It was the increase of the average number of compensable days from approximately 6½ to approximately 6¾ which accounted for the increase in the average benefit payment in October over the average in September, in spite of a slight decline in average daily benefit amount (table 12). The relative importance of the effect of changes in the number of days of unemployment upon the fluctuations in the average benefit in October weeks may be seen in the same table, based on a 20-percent sample of benefit certifications for each day in each regional office.

This same sample was also tabulated by State of residence as given in the mailing address of the beneficiary. The figures in table 13 on the

Table 13.—Railroad unemployment insurance: Number and amount of benefit payments certified, by State of residence of beneficiary, Sept. 30–Oct. 27, 1939¹

State	Number	Total amount	Average amount
Total.....	62,630	\$933,207	\$14.90
Alabama.....	1,244	18,390	14.78
Arizona.....	379	6,408	16.91
Arkansas.....	1,301	19,741	15.17
California.....	2,313	37,643	16.27
Colorado.....	793	11,978	15.10
Connecticut.....	181	2,790	15.41
Delaware.....	270	3,665	13.57
District of Columbia.....	207	3,078	14.87
Florida.....	3,189	51,799	16.24
Georgia.....	1,670	25,376	15.20
Idaho.....	192	2,985	15.55
Illinois.....	5,553	81,501	14.68
Indiana.....	1,566	23,330	14.90
Iowa.....	1,436	20,679	14.40
Kansas.....	1,851	27,419	14.81
Kentucky.....	1,390	20,224	14.55
Louisiana.....	1,441	16,632	11.54
Maine.....	570	7,487	13.14
Maryland.....	399	5,745	14.40
Massachusetts.....	1,068	15,071	14.11
Michigan.....	1,198	17,607	14.70
Minnesota.....	1,379	21,367	15.49
Mississippi.....	876	13,035	14.88
Missouri.....	2,624	39,562	15.08
Montana.....	337	5,197	15.42
Nebraska.....	596	8,725	14.64
Nevada.....	73	1,311	17.96
New Hampshire.....	249	2,746	11.03
New Jersey.....	1,120	16,656	14.87
New Mexico.....	544	8,088	14.87
New York.....	5,538	86,004	15.35
North Carolina.....	788	11,914	15.12
North Dakota.....	233	3,257	13.98
Ohio.....	2,204	32,352	14.66
Oklahoma.....	1,353	22,224	16.43
Oregon.....	306	4,900	16.01
Pennsylvania.....	4,905	65,793	13.41
Rhode Island.....	99	1,730	17.47
South Carolina.....	612	9,778	15.98
South Dakota.....	218	2,864	13.14
Tennessee.....	1,535	22,062	14.37
Texas.....	4,252	64,516	15.17
Utah.....	332	4,840	14.58
Vermont.....	176	3,229	18.35
Virginia.....	1,358	20,761	15.29
Washington.....	394	6,233	15.82
West Virginia.....	933	13,625	14.60
Wisconsin.....	861	13,452	15.62
Wyoming.....	88	1,232	14.00
Outside continental United States.....	436	6,206	14.23

¹ Based on 20-percent sample of benefit certifications for each day in each regional office.

number of certifications, the total amount of benefits, and the average benefit payment by States are based on this tabulation. The variations in average benefit payment from State to State reflects differences in the average amount of unemployment per registration period as well as in the occupational composition and base-year earnings of the beneficiary group.

PUBLIC ASSISTANCE

BUREAU OF RESEARCH AND STATISTICS • DIVISION OF PUBLIC ASSISTANCE RESEARCH

SOURCES OF FUNDS EXPENDED FOR THE SPECIAL TYPES OF PUBLIC ASSISTANCE AND GENERAL RELIEF IN 1938-39

AMONG THE VARIOUS programs providing public aid to needy families and persons, four are administered by the State and local governments: the three special types of public assistance—old-age assistance, aid to dependent children, and aid to the blind—and general relief. Together these programs provide the great bulk of direct assistance and relief, as distinguished from earnings under the various Federal work programs.

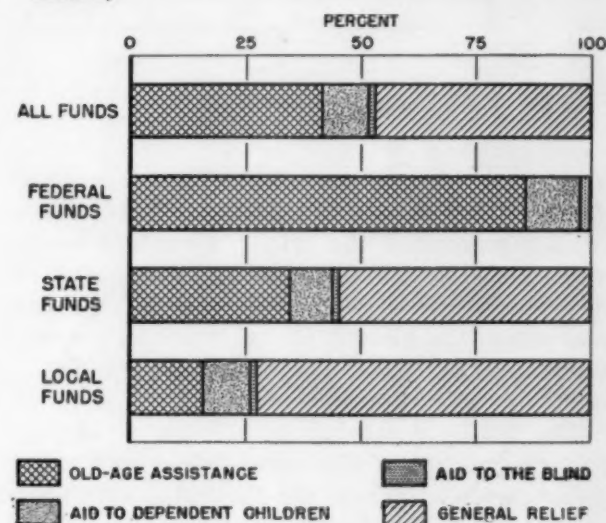
During the fiscal year 1938-39 payments to

Table 1.—Expenditures for the special types of public assistance and general relief, by program and by source of funds, fiscal year 1938-39¹

Program	Net disbursements from—			
	Total funds	Federal funds	State funds	Local funds
Amount (in thousands)				
Total.....	\$1,002,826.3	\$231,359.7	\$507,360.1	\$264,106.5
Special types of public assistance: ²				
Old-age assistance.....	415,764.2	198,645.0	175,205.5	41,913.7
Aid to dependent children.....	102,796.3	27,543.5	47,896.4	27,356.4
Aid to the blind.....	11,905.7	5,170.2	4,343.6	2,392.0
General relief ³	472,360.1	1.0	279,914.6	192,444.4
Percentage distribution by program				
Total.....	100.0	100.0	100.0	100.0
Special types of public assistance: ²				
Old-age assistance.....	41.5	85.9	34.5	15.9
Aid to dependent children.....	10.2	11.9	9.4	10.3
Aid to the blind.....	1.2	2.2	.9	.9
General relief ³	47.1	(⁴)	55.2	72.9
Percentage distribution by source of funds				
Total.....	100.0	23.1	50.6	26.3
Special types of public assistance: ²				
Old-age assistance.....	100.0	47.8	42.1	10.1
Aid to dependent children.....	100.0	26.8	46.6	26.6
Aid to the blind.....	100.0	43.4	36.5	20.1
General relief ³	100.0	(⁴)	59.3	40.7

recipients under these four assistance programs administered by the States and localities totaled about \$1 billion.¹ This aggregate amount excludes all costs of administering the programs. For

Chart I.—Percentage distribution of expenditures for the special types of public assistance and general relief, by source of funds, fiscal year 1938-39 (see table 1)



the three special types of public assistance the present data on expenditures relate to payments in States with plans approved by the Social Security Board, including the 48 States, the District of Columbia, Alaska, and Hawaii; for general relief the data relate to the 48 States and the District of Columbia.² The data on expenditures for general relief include estimates for a number of States.

Payments to recipients of the special types of public assistance accounted for more than half of the total sum expended for the four types of assistance in 1938-39. Of the \$1,003 million spent

¹ Earnings under Federal work programs totaled \$2.7 billion in 1938-39.

² Expenditures for the special types of public assistance in States in which these types of assistance are administered under State laws without Federal financial participation are relatively small, amounting to about \$1 million a month. Expenditures for general relief in Alaska and Hawaii are negligible in relation to expenditures in the continental United States.

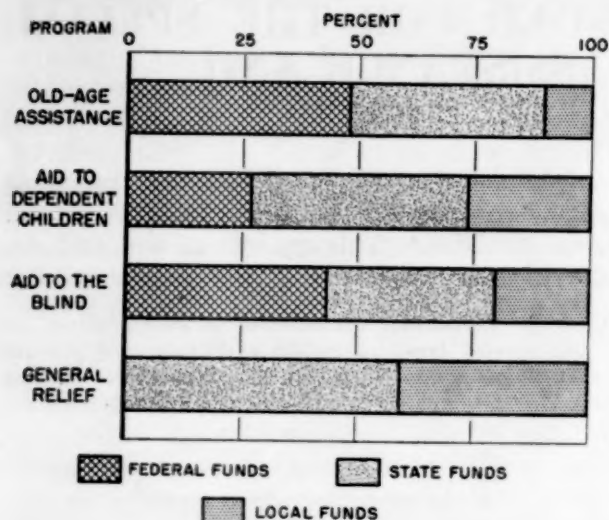
³ See tables 2, 3, 4, and 5 for detailed figures by States and for explanatory footnotes.

⁴ In States administering these programs under the Social Security Act. Does not include expenditures in States not participating under the act.

⁵ Continental United States only.

⁶ Less than 0.1 percent.

Chart II.—Percentage distribution of Federal, State, and local funds expended for the special types of public assistance and general relief, by program, fiscal year 1938-39 (see table 1)



during the year, payments for assistance to special groups of dependents amounted to \$530.5 million or 52.9 percent of the total. Assistance to the aged totaled \$415.8 million or 41.5 percent, aid to dependent children \$102.8 million or 10.2 percent, and aid to the blind \$11.9 million or 1.2 percent. General relief payments amounted to \$472.4 million or 47.1 percent of the total.

The State governments supplied a slightly larger proportion of total expenditures for the four programs than the local and Federal Governments combined. State funds amounted to \$507.4 million or 50.6 percent of the total, local funds to \$264.1 million or 26.3 percent, and Federal funds to \$231.4 million or 23.1 percent.

Among the several programs, however, there are marked differences in the shares of assistance payments provided from Federal, State, and local funds, as is shown in table 1 and chart II. Whereas the Federal Government has participated in payments for the special types of public assistance since February 1936, when Federal funds first became available under the Social Security Act, responsibility for financing programs for general relief has rested entirely with the States and localities for approximately the same period of time. With the inauguration of the Works Program in the latter half of 1935, the Federal Government began gradually to liquidate the Federal Emer-

gency Relief Administration and to withdraw from participation in the general relief program. By the end of 1935, the Works Program had expanded greatly, and final grants to the States for general relief purposes were determined by the FERA in December of that year. At the beginning of 1936 the States and localities became responsible for administering and financing this type of assistance. Unexpended balances of Federal funds were available for general relief in some States after 1935, but in the fiscal year 1938-39 only \$1,000 of the \$472.4 million spent for general relief was derived from this source. State funds amounted to \$279.9 million or 59.3 percent of the total disbursed for general relief in this fiscal year, and local funds to \$192.4 million or 40.7 percent.

On the other hand, in 1938-39 the Federal Government paid for a substantial share of the expenditures for the special types of public assistance. Federal funds represented 47.8 percent of total payments for old-age assistance and 43.4 percent of the total spent for aid to the blind. Only 26.8 percent of total expenditures for aid to dependent children, however, was supplied by the Federal Government. The smaller share of Federal funds for aid to dependent children reflects primarily the influence of the lower Federal matching ratio for this program—one-third, within limits specified by the Social Security Act, as compared with one-half for old-age assistance and aid to the blind.³ The Federal share of total expenditures is lower than the ratio of Federal participation for each of the special types of public assistance, because a number of States make some expenditures in which Federal funds may not be used under the provisions of the Social Security Act. Such expenditures consist, for the most part, of amounts by which individual monthly payments exceed the maximum amounts toward which the Federal Government contributes.⁴ Although Federal funds may be used only for money payments to recipients, some States expend funds also for various services to recipients, such as

³ Effective Jan. 1, 1940, the ratio for Federal participation in aid to dependent children was increased to one-half by amendment of Aug. 10, 1939, to the Social Security Act.

⁴ Effective Jan. 1, 1940, the maximum monthly payment for old-age assistance or aid to the blind toward which the Federal Government contributes one-half, was increased from \$30 to \$40. The maximum amount of aid to dependent children in which the Federal Government participates is \$18 a month for the first child and \$12 a month for each additional child aided in the same home.

medical care, hospitalization, and burials. In a few instances, State plans are broader than the Social Security Act with respect to persons who may receive assistance.

The State share for aid to dependent children amounted to 46.6 percent in contrast to State shares of 42.1 percent for old-age assistance and 36.5 percent for aid to the blind. Local funds

Table 2.—Expenditures,¹ by source of funds, for assistance to recipients of old-age assistance in States with plans approved by the Social Security Board, fiscal year 1938-39

[Amounts in thousands]

Region ² and State	Total	Federal funds		State funds		Local funds	
		Amount	Percent	Amount	Percent	Amount	Percent
Total ³	\$415,764.2	\$198,645.0	47.8	\$175,205.5	42.1	\$41,913.7	10.1
Region I:							
Connecticut	4,854.3	2,380.8	49.0	2,473.5	51.0		
Maine	2,963.9	1,461.1	49.3	1,502.8	50.7		
Massachusetts	25,489.2	12,031.5	47.2	8,951.5	35.2	4,476.3	17.6
New Hampshire	1,140.4	550.3	48.3	305.0	26.7	285.1	25.0
Rhode Island	1,427.1	713.6	50.0	713.6	50.0		
Vermont	1,001.0	481.0	48.1	520.0	51.9		
Region II:							
New York ⁴	32,064.7	14,417.6	45.0	9,459.8	29.5	8,187.3	25.5
Region III:							
Delaware	342.4	170.6	49.8	171.8	50.2		
New Jersey	6,419.6	3,170.2	49.4	2,447.0	38.1	802.4	12.5
Pennsylvania ⁴	21,552.5	10,600.1	49.2	10,952.4	50.8		
Region IV:							
District of Columbia	996.2	479.4	48.1	516.8	51.9		
Maryland ⁴	3,670.0	1,814.7	49.4	1,236.7	33.7	618.6	16.9
North Carolina	3,569.2	1,784.6	50.0	906.8	25.4	877.7	24.6
Virginia ⁴	854.0	427.0	50.0	366.9	31.3	160.1	18.7
West Virginia	2,960.2	1,472.8	49.8	1,487.4	50.2		
Region V:							
Kentucky	4,557.0	2,278.5	50.0	2,278.5	50.0		
Michigan	15,014.1	7,349.2	48.9	7,664.9	51.1		
Ohio	31,083.1	13,931.8	44.8	17,151.3	55.2		
Region VI:							
Illinois	28,341.6	14,026.8	49.5	14,314.8	50.5		
Indiana	11,020.8	5,425.7	49.2	3,506.3	31.8	2,088.7	19.0
Wisconsin	11,038.5	5,425.6	49.1	3,386.3	30.7	2,226.6	20.2
Region VII:							
Alabama ⁴	1,802.6	894.0	49.6	561.4	31.1	347.2	19.3
Florida	5,659.6	2,829.8	50.0	2,829.8	50.0		
Georgia	3,454.4	1,727.0	50.0	1,381.0	40.0	345.4	10.0
Mississippi	1,500.2	750.1	50.0	750.1	50.0		
South Carolina ⁴	2,095.5	1,047.8	50.0	1,047.8	50.0		
Tennessee	3,516.6	1,758.3	50.0	1,318.7	37.5	439.6	12.5
Region VIII:							
Iowa	12,177.0	5,977.1	49.1	6,199.9	50.9		
Minnesota	16,153.5	7,960.8	49.3	5,422.3	33.6	2,770.5	17.1
Nebraska	5,158.3	2,575.3	49.9	2,583.0	50.1		
North Dakota ⁴	1,640.3	820.2	50.0	410.1	25.0	419.1	25.0
South Dakota	3,763.0	1,881.5	50.0	1,881.5	50.0		
Region IX:							
Arkansas	1,322.0	661.0	50.0	661.0	50.0		
Kansas	5,017.1	2,473.2	49.3	994.0	19.8	1,549.9	30.9
Missouri	16,072.0	8,036.0	50.0	8,036.0	50.0		
Oklahoma	13,690.9	6,482.7	47.4	7,208.3	52.6		
Region X:							
Louisiana	3,494.0	1,737.7	49.7	1,690.0	48.4	66.3	1.9
New Mexico	526.3	261.8	49.8	264.4	50.2		
Texas	18,987.4	9,493.7	50.0	9,493.7	50.0		
Region XI:							
Arizona ⁴	2,155.9	1,061.4	49.2	1,094.5	50.8		
Colorado	12,960.6	5,594.7	43.2	7,365.9	56.8		
Idaho ⁷	2,203.3	1,101.7	50.0	916.0	41.6	185.7	8.4
Montana	2,909.1	1,454.5	50.0	1,012.2	34.8	442.3	15.2
Utah	3,428.0	1,701.1	49.6	1,212.7	35.4	514.2	15.0
Wyoming	790.4	395.2	50.0	199.8	25.3	195.4	24.7
Region XII:							
California ⁴	48,930.8	21,592.0	44.1	13,704.5	28.0	13,634.3	27.9
Nevada	669.2	334.6	50.0	167.3	25.0	167.3	25.0
Oregon	4,764.9	2,382.4	50.0	1,250.9	26.4	1,122.6	23.6
Washington	9,963.1	4,965.1	49.8	4,998.1	50.2		
Territories:							
Alaska	361.6	169.1	46.8	192.5	53.2		
Hawaii ⁴	266.6	132.4	49.7	134.1	50.3		

¹ Includes disbursements for direct assistance to recipients, hospitalization, burials, medical care, and assistance in kind. Does not include administrative expense. These totals cannot be compared with either the amount of obligations incurred for payments to recipients or with the amount of Federal grants to the States.

² Social Security Board administrative regions.

³ All amounts are rounded from actual data; therefore totals differ slightly from sums of rounded amounts. Percentage distributions are based on actual data.

⁴ Amounts represent obligations incurred.

⁵ Amounts represent disbursements during last 10 months only; first payments under approved plan made for September 1938.

⁶ Amounts represent obligations incurred for part of period and disbursements for remainder; distribution by source of funds estimated in part by the Social Security Board.

⁷ No local participation, effective March 1939.

represented the smallest share of assistance payments under each of the programs for the special types of public assistance, but for aid to dependent children the local proportion of 26.6 percent approximated the Federal share. The local governments provided 10.1 percent of total payments for old-age assistance and 20.1 percent of total payments for aid to the blind.

Of the total sum expended from Federal funds

for these forms of public assistance in 1938-39, by far the largest part—85.9 percent—was used for old-age assistance, as is shown in table 1 and chart I. Only 11.9 percent of the Federal total was disbursed for aid to dependent children and 2.2 percent for aid to the blind. State and local funds, however, were devoted principally to general relief, which absorbed 55.2 percent of total assistance expenditures from State funds and 72.9

Table 3.—Expenditures,¹ by source of funds, for assistance to recipients of aid to dependent children in States with plans approved by the Social Security Board, fiscal year 1938-39

[Amounts in thousands]

Region ² and State	Total	Federal funds		State funds		Local funds	
		Amount	Percent	Amount	Percent	Amount	Percent
Total³	\$102,796.3	\$27,543.5	26.8	\$47,896.4	46.6	\$27,356.4	26.6
Region I:							
Maine	597.4	168.3	28.2	152.4	25.5	276.7	46.3
Massachusetts	6,930.8	1,303.8	18.8	2,310.3	33.3	3,316.8	47.9
New Hampshire	167.3	53.3	31.8	114.1	68.2	—	—
Rhode Island	587.7	151.1	25.7	241.1	41.0	195.5	33.3
Vermont ⁴	125.9	42.0	33.3	27.7	22.0	56.2	44.7
Region II:							
New York ⁴	19,929.6	3,991.9	20.0	6,019.8	30.2	9,917.9	49.8
Region III:							
Delaware	177.3	57.2	32.2	60.1	33.9	60.1	33.9
New Jersey ⁴	3,892.2	1,241.4	31.9	1,325.4	34.0	1,325.4	34.1
Pennsylvania ⁴	8,267.3	2,518.5	30.5	5,748.8	69.5	—	—
Region IV:							
District of Columbia	563.2	151.0	26.8	412.2	73.2	—	—
Maryland ⁴	2,871.2	957.0	33.3	1,693.0	59.0	221.1	7.7
North Carolina	1,421.8	473.9	33.3	480.5	33.8	467.4	32.9
Virginia ⁴	174.3	58.1	33.3	72.6	41.7	43.6	25.0
West Virginia	1,582.6	527.5	33.3	1,055.1	66.7	—	—
Region V:							
Michigan	5,800.7	1,410.5	24.3	4,314.9	74.4	75.3	1.1
Ohio	5,146.3	1,297.8	25.2	1,677.6	32.6	2,170.9	42.2
Region VI:							
Indiana	5,062.3	1,574.5	31.1	2,185.9	43.2	1,301.9	25.7
Wisconsin	4,799.4	1,148.1	23.9	1,626.0	33.9	2,025.3	42.2
Region VII:							
Alabama ⁴	925.6	308.4	33.3	347.7	33.8	269.5	22.9
Florida ⁴	311.8	103.9	33.3	207.8	66.7	—	—
Georgia	1,109.7	369.8	33.3	628.9	56.7	111.0	10.0
South Carolina ⁴	709.5	236.5	33.3	473.0	66.7	—	—
Tennessee	2,186.6	728.9	33.3	1,093.3	50.0	364.4	16.7
Region VIII:							
Minnesota	2,589.3	766.6	29.6	1,159.5	44.1	663.1	25.3
Nebraska	1,376.8	458.9	33.3	917.9	66.7	—	—
North Dakota ⁴	617.8	192.0	31.1	212.9	34.5	212.9	34.4
Region IX:							
Arkansas	409.1	136.4	33.3	272.7	66.7	—	—
Kansas	1,744.9	528.9	30.3	494.1	28.3	721.9	41.4
Missouri	2,386.2	795.4	33.3	1,590.8	66.7	—	—
Oklahoma	2,483.9	775.1	31.2	1,708.8	68.8	—	—
Region X:							
Louisiana	2,494.9	792.4	31.8	1,641.0	65.8	61.5	2.4
New Mexico	364.7	120.1	32.9	244.6	67.1	—	—
Region XI:							
Arizona ⁴	832.7	277.6	33.3	555.1	66.7	—	—
Colorado	1,536.1	512.0	33.3	512.0	33.3	512.0	33.4
Idaho ⁴	837.3	278.1	33.2	423.9	50.6	135.3	16.2
Montana	681.6	227.2	33.3	246.3	36.2	208.0	30.5
Utah	1,164.2	334.2	28.7	655.4	56.3	174.6	15.0
Wyoming	229.6	76.5	33.3	82.5	35.9	70.6	30.8
Region XII:							
California	6,319.2	1,439.2	22.8	3,066.8	48.0	1,813.3	29.1
Oregon	726.0	184.4	25.4	287.5	39.6	254.1	35.0
Washington	1,976.7	658.9	33.3	1,317.8	66.7	—	—
Territory:							
Hawaii ⁴	384.7	116.2	30.2	268.6	69.8	—	—

¹ Includes disbursements for direct assistance to recipients, hospitalization, burials, medical care, and assistance in kind. Does not include administrative expense. These totals cannot be compared with either the amount of obligations incurred for payments to recipients or with the amount of Federal grants to the States.

² Social Security Board administrative regions.

³ All amounts are rounded from actual data; therefore totals differ slightly from sums of rounded amounts. Percentage distributions are based on actual data.

⁴ Amounts represent obligations incurred for part or all of the period; distribution by source of funds estimated in whole or in part by the Social Security Board.

⁵ Amounts represent obligations incurred.

⁶ Amounts represent disbursements during last 10 months only; first payments under approved plan made for September 1938.

⁷ No local participation, effective March 1939.

percent of total local assistance. Payments for old-age assistance represented 34.5 percent of the total assistance supplied by State governments and 15.9 percent of the total supplied by local governments. The shares of total State and local assistance funds used for aid to dependent children were 9.4 and 10.3 percent, respectively. Only about 1 percent of both State and local funds was disbursed for aid to the blind.

Special Types of Public Assistance, 1937-38 and 1938-39

Although total expenditures for the three special types of public assistance in States with approved plans rose from \$451.3 million in 1937-38 to \$530.5 million in 1938-39, the proportions of the total supplied from Federal, State, and local funds for each program were virtually the same in both fiscal years.⁶ As was also true in 1937-38, marked State differences underlie the composite picture for each program in 1938-39. The amounts expended in the individual States in the more recent period and the percentage distribution by source of funds are shown in tables 2, 3, and 4. Despite the general upward movement in expenditures in 1938-39, in the large majority of the States only slight changes occurred in the shares provided by the Federal, State, and local governments. Most of the significant changes were in the direction of increased State and decreased local participation.

Old-Age Assistance

In several of the States in which both State and local funds were used for old-age assistance in 1937-38, local participation was either decreased or eliminated in 1938-39. Local participation was discontinued in Louisiana in July 1938 and in Idaho in March 1939. In Kansas the availability of additional State money from a special emergency fund enabled the State to increase its share of total payments. In New Hampshire, where the localities previously had borne the entire cost of assistance payments other than cash payments, the State assumed responsibility for 75 percent of such other payments. On the other hand, in Georgia allotments to the counties from a State equalization fund were discontinued early in 1938,

necessitating increased financial participation by the local governments during the rest of 1937-38 and in 1938-39.

Sizable changes occurred in a few States that financed old-age assistance in both years with only Federal and State funds. The State share dropped considerably in relation to the Federal proportion in Arizona and Colorado. During 1937-38, Arizona assisted a large number of persons who were eligible under the State law but whose applications had not yet been approved under the State plan. By 1938-39 the State had determined the eligibility of these persons under its approved plan. The decline in the State share in Colorado reflects a reduction in the proportion of total funds spent for payments in excess of the \$30 a month maximum in which the Federal Government participated. In Ohio the larger State share and smaller Federal share were attributable mainly to the fact that the Federal Government did not participate in the program in that State in October 1938.

With the initiation of payments under an approved plan in Virginia in September 1938, all 51 jurisdictions eligible for Federal grants were administering this type of assistance under the Social Security Act. In 1938-39, the State and local governments in Virginia divided their share of total assistance costs in a ratio of about 3 to 2.

Aid to Dependent Children

A number of States provided larger shares of the cost of aid to dependent children, with corresponding reductions in the proportions supplied by their local governments. Pennsylvania had eliminated local financial participation in January 1938. Local contributions toward assistance costs were discontinued in Louisiana in July 1938 and in Idaho in March 1939. The increase in the State share in Kansas in 1938-39 was made possible by the use of money available in a special State emergency fund. In Oregon, where the State and local governments had each contributed one-third of total assistance costs, the State and local shares were changed in March 1939 to 40 and 26 percent, respectively. Effective in April 1939, the State and local shares in Vermont were changed to 33½ percent each; previously the State had contributed 16 percent and the localities 50.0 percent.

In a few States there was a substantial increase in the proportion of assistance costs supplied

⁶ For data relating to fiscal year 1937-38, see the *Bulletin*, November 1938, pp. 58-62; for data relating to calendar year 1938, see the *Bulletin*, September 1939, pp. 15-21.

from local funds. The larger local share in Georgia was caused by the discontinuance of allotments to the counties from a State equalization fund. In Ohio, where the local portion was considerably higher in 1938-39, the State and local shares fluctuate because of the methods used to finance the program. The sizable increase in the local share in California reflects mainly a decline in the proportion of total payments com-

prised of Federal funds, although the share supplied from State funds also declined.

During 1938-39, Florida and Virginia were added to the States administering aid to dependent children under approved plans. Each of these States first made payments in September 1938. Under the Florida plan the localities were not required to share in the cost of assistance. In Virginia local expenditures were 25.0 percent

Table 4.—Expenditures,¹ by source of funds, for assistance to recipients of aid to the blind in States with plans approved by the Social Security Board, fiscal year 1938-39

[Amounts in thousands]

Region ² and State	Total	Federal funds		State funds		Local funds	
		Amount	Percent	Amount	Percent	Amount	Percent
Total ³	\$11,905.7	\$5,170.2	43.4	\$4,343.6	36.5	\$2,392.0	20.1
Region I:							
Connecticut.....	32.4	16.0	49.5	16.3	50.5		
Maine.....	347.8	170.3	49.0	177.4	51.0		
Massachusetts.....	287.6	143.4	49.9	144.2	50.1		
New Hampshire.....	80.9	39.7	49.1	41.2	50.9		
Vermont ⁴	30.9	15.5	50.0	15.5	50.0		
Region II:							
New York ⁵	761.9	351.0	46.1	220.6	28.9	190.3	25.0
Region III:							
New Jersey.....	162.4	80.4	49.5			82.0	50.5
Region IV:							
District of Columbia.....	68.6	33.0	48.1	35.6	51.9		
Maryland ⁶	159.3	79.3	49.8	23.8	14.9	56.2	35.3
North Carolina.....	341.8	170.9	50.0	91.9	26.9	79.0	23.1
Virginia ⁷	81.4	40.7	50.0	25.4	31.2	15.3	18.9
West Virginia.....	155.2	77.5	49.9	77.7	50.1		
Region V:							
Michigan.....	201.0	84.5	42.1	115.1	57.3	1.3	.6
Ohio.....	929.1	451.7	48.6	151.2	16.3	326.2	35.1
Region VI:							
Indiana.....	600.3	286.7	47.8	313.6	52.2		
Wisconsin.....	526.2	262.0	49.8	159.8	30.4	104.4	19.8
Region VII:							
Alabama ⁸	51.6	25.8	50.0	12.9	25.0	12.9	25.0
Florida.....	375.5	187.8	50.0	187.8	50.0		
Georgia.....	151.5	75.5	49.8	60.8	40.2	15.1	10.0
Mississippi ⁹	26.6	13.3	50.0	13.3	50.0		
South Carolina ¹⁰	101.6	50.8	50.0	50.8	50.0		
Tennessee.....	247.0	123.5	50.0	92.6	37.5	30.9	12.5
Region VIII:							
Iowa.....	360.8	177.6	49.2	93.0	25.8	90.2	25.0
Minnesota.....	223.1	108.1	48.5	115.0	51.5		
Nebraska.....	135.4	66.7	49.3	60.8	44.9	7.9	5.8
North Dakota ¹¹	27.4	12.9	47.0	14.5	53.0		
South Dakota.....	49.4	24.7	50.0	24.7	50.0		
Region IX:							
Arkansas.....	51.3	25.6	50.0	25.6	50.0		
Kansas.....	235.4	114.1	48.5	49.2	20.9	72.1	30.6
Oklahoma.....	382.6	190.3	49.7	192.3	50.3		
Region X:							
Louisiana.....	123.5	61.6	49.9	59.7	48.3	2.2	1.8
New Mexico.....	34.3	16.8	48.9	17.5	51.1		
Region XI:							
Arizona ¹²	89.6	44.0	49.1	45.6	50.9		
Colorado.....	207.4	99.0	47.8	56.5	27.2	51.8	25.0
Idaho ¹³	76.4	37.6	49.2	33.0	43.2	5.8	7.4
Montana.....	29.3	13.5	46.0	11.8	40.4	4.0	13.4
Utah.....	63.5	30.9	48.6	23.1	36.4	9.5	15.0
Wyoming.....	54.2	24.8	45.8	29.4	54.2		
Region XII:							
California ¹⁴	3,522.7	1,164.7	31.3	1,214.2	34.5	1,203.8	34.2
Oregon.....	131.6	65.8	50.0	34.7	26.4	31.1	23.6
Washington.....	376.0	166.8	44.4	209.2	55.6		
Territory:							
Hawaii ¹⁵	11.6	5.7	48.7	6.0	51.3		

¹ Includes disbursements for direct assistance to recipients, hospitalization, burials, medical care, and assistance in kind. Does not include administrative expense. These totals cannot be compared with either the amount of obligations incurred for payments to recipients or with the amount of Federal grants to the States.

² Social Security Board administrative regions.

³ All amounts are rounded from actual data; therefore totals differ slightly from sums of rounded amounts. Percentage distributions are based on actual data.

⁴ Amounts represent obligations incurred; distribution by source of funds estimated in whole or in part by the Social Security Board.

⁵ Amounts represent obligations incurred.

⁶ Amounts cover only last 10 months; first payments under approved plan made for September 1938.

⁷ Amounts cover only last 8 months; first payments under approved plan made for November 1938.

⁸ No local participation, effective March 1939.

of the total—less than in most States requiring local participation.

Aid to the Blind

Nearly all the significant changes in financing State programs for aid to the blind also revealed a tendency toward increased State and decreased local participation. Louisiana and New Hamp-

shire discontinued local financial participation in July 1938, and Idaho took the same step in March 1939. The local share in Kansas was smaller for the same reason as that pointed out in connection with reductions in the local shares for old-age assistance and aid to dependent children in that State. In Maryland the localities contributed a smaller proportion in 1938-39 because the State

Table 5.—Expenditures,¹ by source of funds, for payments to cases receiving general relief for fiscal years 1937-38 and 1938-39

[Data reported by State agencies corrected to Oct. 25, 1939]

[Amounts in thousands]

State	Fiscal year 1937-38						Fiscal year 1938-39					
	Total	Federal		State		Local		Total	State		Local	
		Amount	Percent	Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
Total ²	\$451,476	\$66	(³)	\$254,200	56.3	\$197,210	43.7	\$472,360	\$279,915	59.3	\$192,444	40.7
Alabama	213	0		\$106	49.8	\$107	50.2	283	147	51.7	137	48.3
Arizona	526	0		526	100.0			515	515	100.0		
Arkansas	288	0		288	100.0			226	226	100.0		
California	34,271	0		24,546	71.6	9,725	28.4	40,318	30,460	75.5	9,858	24.5
Colorado	\$2,212	0		\$1,951	88.2	\$261	11.8	\$2,298	\$1,896	82.1	\$413	17.9
Connecticut	5,983	(⁴)	(⁵)	1,467	24.5	4,515	75.5	\$7,083	1,751	24.7	5,331	75.3
Delaware	306	0		\$36	18.3	\$230	81.7	495	\$249	50.0	\$249	50.0
District of Columbia	796	0		796	100.0			499	499	100.0		
Florida	\$619	0				\$619	100.0	679			679	100.0
Georgia	610	0				610	100.0	808			808	100.0
Idaho	\$469	0		411	87.6	\$58	12.4	\$432	\$282	65.3	\$150	34.7
Illinois	45,404	3	(⁶)	\$31,900	70.3	\$13,502	29.7	40,969	\$38,851	77.7	\$11,118	22.3
Indiana	8,513	0				8,513	100.0	8,330			8,330	100.0
Iowa	6,687	(⁴)	(⁶)	2,082	31.1	4,605	68.9	5,807	1,484	25.6	4,323	74.4
Kansas	2,767	0		\$736	27.3	\$2,011	72.7	3,027	\$908	30.0	\$2,119	70.0
Kentucky	\$549	0				\$549	100.0	\$534			\$534	100.0
Louisiana	1,219	0		1,219	100.0			1,247	1,247	100.0		
Maine	\$3,287	0		\$300	11.0	\$2,927	89.7	2,905	\$328	28.5	\$2,078	71.5
Maryland	1,943	0		\$633	32.6	\$1,309	67.4	2,716	\$320	11.8	\$2,395	88.2
Massachusetts	23,965	0		\$5,519	23.0	\$18,446	77.0	21,967	\$5,050	23.0	\$16,917	77.0
Michigan	24,100	0		\$14,515	60.2	\$9,585	39.8	19,094	\$12,039	63.1	\$7,055	36.9
Minnesota	12,277	0		4,802	39.1	7,475	60.9	12,350	3,358	27.2	8,992	72.8
Mississippi	47	2				46	96.0	47			47	100.0
Missouri	5,431	1	(⁶)	\$4,874	89.7	\$555	10.3	4,811	4,613	95.9	198	4.1
Montana	1,009	0		309	30.6	700	69.4	1,128	\$512	45.4	\$616	54.6
Nebraska	\$1,235	(⁴)	(⁶)	\$32	2.6	\$1,202	97.4	1,331			1,331	100.0
Nevada	137	14	10.3	14	10.3	109	79.4	106	\$21	19.8	\$85	80.2
New Hampshire	2,674	0		\$473	17.7	\$2,200	82.3	2,678			2,678	100.0
New Jersey	18,591	0		\$15,304	82.3	\$3,287	17.7	20,497	\$10,498	50.5	\$9,998	49.5
New Mexico	192	0		175	91.4	17	8.6	142	123	86.6	19	13.4
New York	124,600	0	(⁶)	\$50,259	40.3	\$74,335	59.7	124,969	\$50,915	40.7	\$74,054	59.3
North Carolina	441	0				441	100.0	400			400	100.0
North Dakota	1,607	0		1,113	69.3	493	30.7	1,003	\$492	49.0	\$511	51.0
Ohio	\$20,133	0		\$8,596	42.5	\$11,566	57.5	19,204	\$10,946	57.0	\$8,258	43.0
Oklahoma	\$1,814	0		1,431	78.9	\$383	21.1	\$1,214	759	62.5	\$455	37.5
Oregon	2,092	36	1.7	1,136	54.3	919	44.0	2,120	1,351	63.7	769	36.3
Pennsylvania	66,028	0		66,028	100.0			85,212	85,212	100.0		
Rhode Island	\$3,224	0		\$1,213	37.6	\$2,011	62.4	\$3,310	\$1,259	38.0	\$2,051	62.0
South Carolina	177	0		94	53.0	83	47.0	356	\$219	61.6	\$136	38.4
South Dakota	878	0				878	100.0	833			833	100.0
Tennessee	\$440	0		97	22.1	\$342	77.9	\$311			\$311	100.0
Texas	\$1,222	0				\$1,222	100.0	1,503			1,503	100.0
Utah	1,017	2	.2	862	84.7	154	15.1	948	805	84.9	143	15.1
Vermont	793	0				793	100.0	803			803	100.0
Virginia	1,287	0		\$683	53.0	\$604	47.0	1,051	\$548	52.1	\$503	47.9
Washington	6,921	0		\$6,612	95.5	\$308	4.5	3,421	\$2,434	71.2	\$987	28.8
West Virginia	\$2,317	0		\$1,737	75.0	\$579	25.0	2,226	\$1,670	75.0	\$557	25.0
Wisconsin	\$9,891	1	(⁶)	\$1,034	10.5	\$8,856	89.5	\$11,046	1,226	11.1	\$9,819	88.9
Wyoming	278	0		\$222	79.8	\$56	20.2	404	\$213	52.7	\$191	47.3

¹ From Federal, State, and local funds; excludes cost of administration; of materials, equipment, and other items incident to operation of work programs; and of special programs, hospitalization, and burials. Federal funds represent balances of FERA funds available in the States.

² Partly estimated. Amounts are rounded; therefore totals differ slightly from sums of rounded amounts. Percentage distributions are based on unrounded data.

³ Less than 0.1 percent.

⁴ Includes Federal funds amounting to \$1,000; \$223 in Connecticut and \$786 in Wisconsin.

⁵ Estimated.

⁶ Less than \$1,000.

share of assistance costs for this program was increased from 5 to 15 percent in April 1938.

Georgia was the only State in which the local share increased to any extent. As in the programs for the other two special types of public assistance, the discontinuance of allotments from a State equalization fund required relatively larger local contributions.

First payments under approved plans were made in Connecticut in July 1938, in Virginia in September 1938, and in Mississippi in November 1938. In Connecticut and Mississippi the programs were financed without local participation. Of total expenditures for aid to the blind in Virginia, the State provided about three-tenths and the localities about two-tenths. Pennsylvania administered aid to the blind under an approved plan in the first half of 1937-38 but was not among the States with approved plans in 1938-39.

General Relief, 1937-38 and 1938-39

Estimated total expenditures for assistance to general relief cases increased from \$451.5 million in 1937-38 to \$472.4 million in 1938-39. In both years the cost of general relief was borne entirely by the States and localities except for negligible sums derived from unexpended balances of FERA grants.

For the country as a whole, the share of total expenditures supplied by the State governments rose from 56.3 percent in 1937-38 to 59.3 percent

in 1938-39, and the share provided by the localities declined from 43.7 to 40.7 percent. Beneath these national proportions, which are heavily weighted by a few States with extremely large expenditures, there is a great deal of State variation, as is shown in table 5. Estimated data for 1938-39 indicate that there were only 4 States—Arizona, Arkansas, Louisiana, and Pennsylvania—in which the State government carried the entire cost of general relief payments, as compared with 12 States—Florida, Georgia, Indiana, Kentucky, Mississippi, Nebraska, New Hampshire, North Carolina, South Dakota, Tennessee, Texas, and Vermont—in which total expenditures for assistance were supplied by the localities. In 26 States the local governments provided 50.0 percent or more of total assistance costs. The median local share was 51.0 percent, markedly above the local contribution for all States as a group.

From 1937-38 to 1938-39, the local share of general relief costs increased in 17 States, declined in 16 States, and was unchanged in the remaining 16 States. The most conspicuous examples of increased local participation occurred in Idaho, Maryland, Minnesota, New Hampshire, North Dakota, Oklahoma, Tennessee, Washington, and Wyoming. The most important declines in the local share occurred in Delaware, Illinois, Maine, Montana, Ohio, Oregon, and South Carolina. There was no change in the number of States in which general relief payments were financed entirely from State funds, but the number in which only local funds were used increased from 9 to 12.

STATISTICS FOR THE UNITED STATES

NOVEMBER 1939

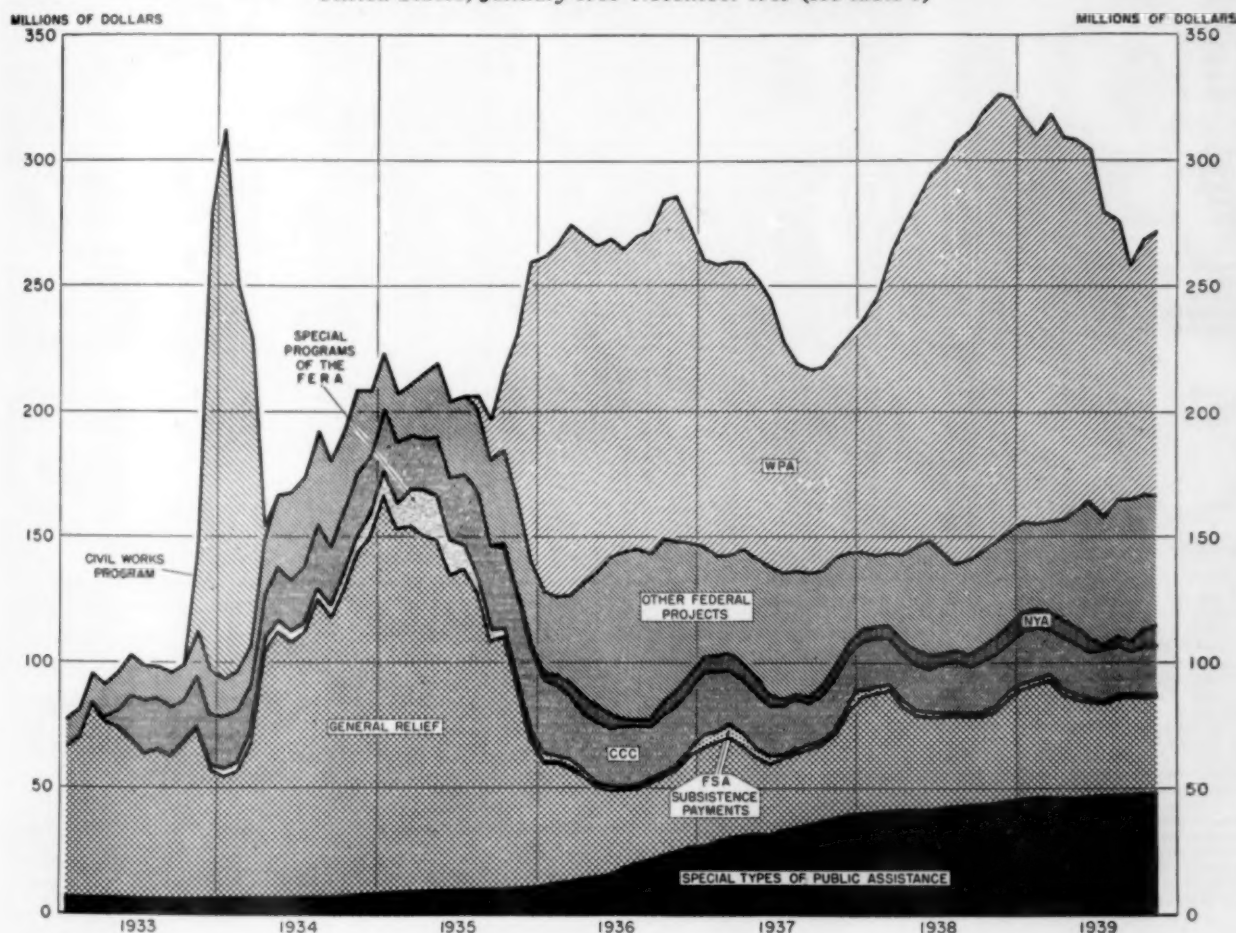
In November total expenditures in the continental United States for all public assistance and earnings of persons employed under Federal work programs amounted to \$271.5 million—an increase of 1.1 percent from the October level. The data on aggregate payments exclude the costs of administering all programs and of materials, equipment, and supplies incident to the operation of work projects. For November it is estimated that total payments for assistance and earnings benefited 6.1 million households, including 17.4 million persons. As compared with the estimates for October, these figures represent increases of 2.4 percent in the number of households and 3.1 percent in the number of persons.

Aggregate earnings of persons employed on

projects operated by the Work Projects Administration continued to move upward in November, although the rate of increase—3.4 percent—was much less than in October. Total earnings on such projects amounted to \$101.6 million. The average weekly number of persons employed on WPA-operated projects increased 4.2 percent to 1.9 million. For WPA-financed projects operated by other Federal agencies, both the average weekly number of persons employed and total earnings were 4.6 percent higher than in the previous month.

Sizable percentage increases occurred in the total volume of both types of payments made by the National Youth Administration. Total payments for student aid rose 26.3 percent and total

Chart III.—Public assistance and earnings of persons employed under Federal work programs in the continental United States, January 1933–November 1939 (see table 6)



disbursements for earnings on work projects increased 9.4 percent. Aggregate expenditures by the NYA, however, are small in relation to the total sum spent for assistance and earnings. The total amount expended for earnings of persons enrolled in the Civilian Conservation Corps was practically unchanged from October to Novem-

ber. In both months total earnings of enrollees amounted to \$19.3 million.

Total obligations incurred for payments to recipients of the special types of public assistance—old-age assistance, aid to dependent children, and aid to the blind—increased slightly. November payments for these types of aid

Table 6.—Amount of public assistance and earnings of persons employed under Federal work programs in the continental United States, by months, January 1937–November 1939¹

[In thousands]

Year and month	All public assistance and earnings of persons employed under Federal work programs	Obligations incurred for—			Subsistence payments certified by the Farm Security Administration ¹	Earnings of persons employed under Federal work programs ²						Other Federal work and construction projects ³
		Special types of public assistance ⁴	General relief ⁵	Relief under special programs of the Federal Emergency Relief Administration ⁶		Civilian Conservation Corps ⁷	National Youth Administration ⁸		Work Projects Administration ⁹			
							Student aid	Work projects	Projects operated by the WPA	Projects operated by other Federal agencies		
1937 total.....	\$2,869,380	\$397,866	\$406,881	\$467	\$35,894	\$245,756	\$24,237	\$32,664	\$1,186,266			\$539,296
January.....	260,564	27,802	37,985	200	5,484	24,485	2,967	3,087	114,838			43,707
February.....	258,303	28,876	39,300	129	3,755	24,158	3,227	3,245	116,047			39,596
March.....	259,305	30,238	39,813	129	5,553	21,238	3,316	3,226	116,912			38,886
April.....	258,944	31,125	35,745		5,260	21,228	3,347	3,191	113,831			45,217
May.....	253,149	31,692	30,615		3,671	21,039	3,642	3,106	112,178			47,306
June.....	244,264	31,462	28,226		3,236	19,356	1,992	2,920	106,368			50,644
July.....	227,289	33,025	29,015		941	19,334	0	2,491	91,690			50,793
August.....	219,097	34,056	29,955		1,346	19,439	(1) ¹	2,348	82,778			49,175
September.....	216,420	35,576	30,274		1,197	16,312	164	2,193	81,146			49,538
October.....	217,730	36,653	30,729		1,396	18,379	1,599	2,165	81,369			45,466
November.....	224,387	38,004	33,981		1,779	20,876	1,977	2,263	82,634			42,673
December.....	229,988	39,385	41,243		2,276	19,912	2,056	2,429	86,475			36,192
1938 total.....	3,487,186	508,985	476,201		22,587	230,318	19,598	41,560	1,722,277	\$28,550		437,101
January.....	237,244	40,103	46,404		2,204	19,940	1,906	2,552	93,060			30,985
February.....	245,819	40,573	47,207		2,473	19,461	2,166	2,688	103,092			28,159
March.....	263,215	41,284	47,471		2,577	18,336	2,203	2,739	119,693			28,912
April.....	273,945	41,478	41,113		2,325	18,311	2,255	2,766	131,419			34,278
May.....	283,620	41,740	37,337		2,156	18,014	2,406	3,075	137,916			40,978
June.....	294,349	41,823	36,747		1,756	17,174	1,550	3,585	146,068			45,644
July.....	298,991	42,423	35,999		1,291	19,848	0	3,701	151,416	4,293		40,620
August.....	307,208	42,815	36,244		1,117	20,334	6	3,903	163,378	4,621		34,790
September.....	312,264	43,266	35,405		1,231	18,767	211	3,930	164,910	4,749		39,795
October.....	320,296	43,763	34,933		1,492	20,367	1,980	4,028	171,162	4,939		37,632
November.....	325,584	44,368	36,476		1,703	20,514	2,408	4,193	172,257	4,971		38,694
December.....	324,651	45,347	40,865		2,262	19,252	2,417	4,400	167,906	4,986		37,216
1939												
January.....	316,290	45,915	43,679		2,391	20,642	2,266	4,347	155,943	4,763		36,423
February.....	310,104	46,209	45,026		2,327	20,689	2,457	4,472	150,290	4,476		34,158
March.....	318,485	46,396	46,588		2,492	18,103	2,446	4,451	157,707	4,888		35,424
April.....	309,358	46,211	41,277		2,242	19,974	2,494	4,318	146,340	6,117		40,285
May.....	308,045	46,167	39,236		1,687	20,432	2,494	4,286	140,645	7,333		45,765
June.....	304,515	47,075	37,049		1,284	18,637	1,935	3,993	133,132	7,462		53,948
July.....	279,089	47,529	36,270		828	19,317	0	2,570	119,548	2,515		50,512
August.....	276,450	47,766	38,240		1,211	19,372	4	4,151	108,070	3,404		54,252
September.....	258,026	47,947	38,640		846	17,097	268	4,222	89,490	3,411		56,126
October.....	268,463	47,905	38,707		876	19,308	2,340	4,432	98,178	3,752		52,965
November.....	271,537	48,246	38,213		1,157	19,321	2,955	4,850	101,550	3,925		51,335

¹ See the *Bulletin*, August 1939, p. 40, for information for 1933–36. Figures exclude cost of administration and of materials, equipment, and other items incident to operation of work programs. Figures are partly estimated and subject to revision.

² Payments to recipients from Federal, State, and local funds in States administering the 3 special types of public assistance under the Social Security Act and from State and local funds only in States not participating under the act.

³ Figures for January–March 1937 from the WPA, Division of Statistics.

⁴ Figures from the WPA, Division of Statistics; include obligations incurred for relief extended to cases under emergency education, student aid, rural rehabilitation, and transient programs of the emergency relief administrations largely financed from FERA funds.

⁵ Figures from the FSA, Rural Rehabilitation Division (formerly the Resettlement Administration) represent net amount of emergency grant vouchers certified to cases during month.

⁶ Figures include earnings of persons certified as in need of relief and earnings of all other persons employed on work and construction projects financed in whole or in part from Federal funds. Figures for the CCC include earnings of enrolled persons only.

⁷ Figures estimated by the CCC by multiplying average monthly number of persons enrolled by average of \$70 for each month through June 1939; for July through October the average is \$67; for November \$66.25. This average amount is based on amount of obligations incurred for cash allowances and for clothing, shelter, subsistence, and medical care of persons enrolled, and for certain other items.

⁸ Figures from the WPA, Division of Statistics; represent earnings during all pay-roll periods ended during month.

⁹ Figures from the WPA, Division of Statistics; represent earnings of persons employed on projects financed from WPA funds and cover all pay-roll periods ended during month.

¹⁰ Figures from the Bureau of Labor Statistics, Division of Construction and Public Employment; represent earnings on other work and construction projects financed in whole or in part from Federal funds and cover all pay-roll periods ended during monthly period ended on 15th of specified month.

¹¹ For administrative reasons, some payments which would have been certified in December 1936 and February 1937 were not certified until January and March 1937, respectively.

¹² Less than \$1,000.

amounted to \$48.2 million, which was 0.7 percent more than the total for October. Subsistence payments certified by the Farm Security Administration rose 32.1 percent in November, but such payments comprise a negligible share of total expenditures for assistance and earnings.

Smaller sums were disbursed in November for

only two types of payments—earnings of persons employed on other Federal work and construction projects and payments to general relief cases. The total amount earned on other Federal work and construction projects declined 3.1 percent to \$51.3 million. The average weekly number of persons employed on such projects was 5.1 percent

Table 7.—Recipients of public assistance and persons employed under Federal work programs in the continental United States, by months, January 1937–November 1939¹
[In thousands]

Year and month	Estimated unduplicated total ²		Recipients of special types of public assistance ³				Cases receiving general relief ⁴	Cases aided under special programs of the Federal Emergency Relief Administration ⁵	Cases for which subsistence payments were certified by the Farm Security Administration ⁶	Persons employed under Federal work programs ⁷							Other Federal work and construction projects ¹¹
	Households	Persons in these households	Old-age assistance	Aid to dependent children		Aid to the blind				Civilian Conservation Corps ⁸	National Youth Administration ⁹		Work Projects Administration ¹⁰				
				Families	Children						Student aid	Work projects	Projects operated by the WPA	Projects operated by other Federal agencies			
1937																	
January	5,973	19,156	1,150	166	411	47	1,662	10	1335	350	417	185	2,127			544	
February	5,958	18,875	1,200	171	421	47	1,726		1229	345	427	189	2,145			477	
March	6,008	19,005	1,256	178	437	48	1,684	6	1323	303	440	192	2,125			476	
April	5,878	18,366	1,296	183	450	49	1,550		300	303	442	192	2,075			512	
May	5,669	17,452	1,327	189	464	49	1,382		218	301	424	185	2,018			560	
June	5,388	16,669	1,290	192	473	50	1,277		191	277	249	173	1,874			588	
July	4,885	14,817	1,392	196	482	50	1,257		54	276		150	1,628			586	
August	4,782	14,408	1,432	203	502	51	1,271		78	278	(13)	133	1,509			544	
September	4,696	13,985	1,467	209	518	52	1,265		67	233	36	127	1,454			522	
October	4,838	14,163	1,503	215	533	54	1,270		71	263	244	123	1,460			499	
November	4,992	14,685	1,541	220	544	55	1,368		83	298	283	127	1,501			465	
December	5,338	15,967	1,577	228	565	56	1,626		109	284	304	136	1,594			404	
1938																	
January	5,771	17,506	1,600	234	578	57	1,803		108	285	310	146	1,801			334	
February	6,089	18,638	1,623	241	595	59	1,906		119	278	320	152	2,001			316	
March	6,480	19,967	1,646	247	610	60	1,994		126	262	327	155	2,319			337	
April	6,578	20,357	1,662	252	622	60	1,815		117	262	334	159	2,538			391	
May	6,696	20,685	1,677	256	630	62	1,696		112	257	329	179	2,638			457	
June	6,684	20,774	1,657	258	638	62	1,648		93	245	219	209	2,741			541	
July	6,636	20,680	1,707	260	640	63	1,610		70	284		215	2,912		85	460	
August	6,772	21,191	1,716	265	651	64	1,581		62	290	2	219	3,037		85	338	
September	6,812	21,216	1,731	268	659	65	1,526		69	268	49	221	3,120		89	365	
October	7,074	21,757	1,746	271	664	65	1,496		79	291	322	220	3,192		90	377	
November	7,162	21,964	1,762	274	672	66	1,518		89	293	364	230	3,239		91	377	
December	7,156	21,891	1,776	280	684	67	1,631		115	275	372	240	3,066		90	369	
1939																	
January	7,132	21,739	1,788	287	701	67	1,772		126	295	372	237	2,928		88	352	
February	7,171	21,762	1,800	296	717	67	1,844		123	296	382	242	2,905		85	342	
March	7,178	21,738	1,814	298	720	67	1,851		127	259	380	236	2,917		86	350	
April	6,967	20,985	1,830	296	714	68	1,724		114	285	384	228	2,676		110	400	
May	6,808	20,237	1,833	300	721	68	1,644		87	292	372	225	2,507		130	439	
June	6,605	19,486	1,842	311	748	68	1,568		69	266	280	214	2,436		133	458	
July	6,249	18,470	1,858	312	750	69	1,539		46	288		207	2,235		44	491	
August	6,032	17,640	1,872	313	751	69	1,582		72	289	1	211	1,908		59	496	
September	5,762	16,500	1,885	313	753	69	1,669		50	255	62	225	1,654		61	492	
October	5,975	16,900	1,894	314	752	69	1,633		50	288	354	238	1,802		65	475	
November	6,120	17,420	1,905	314	752	70	1,562		65	292	424	261	1,877		66	451	

¹ See the *Bulletin*, August 1939, p. 42, for information for 1933-36. Figures exclude administrative employees. Figures are partly estimated and subject to revision.

² Estimated by the Work Projects Administration and the Social Security Board.

³ Includes recipients of the 3 special types of public assistance in States administering these programs under the Social Security Act and recipients of similar types of assistance in States not participating under the act.

⁴ Figures for January-March 1937 from the WPA, Division of Statistics.

⁵ Figures from the WPA, Division of Statistics; include cases receiving relief during month under emergency education, student aid, rural rehabilitation, and transient programs of the emergency relief administrations largely financed from FERA funds.

⁶ Figures from the FSA, Rural Rehabilitation Division (formerly the Resettlement Administration); represent net number of emergency grant vouchers certified to cases during month. Ordinarily only 1 grant voucher per case is certified per month.

⁷ Figures include persons certified as in need of relief and all other persons

employed on work and construction projects financed in whole or in part from Federal funds. Figures for the CCC include enrolled persons only.

⁸ Figures are averages computed by the CCC from reports on number of persons enrolled on 10th, 20th, and last day of each month except for the Indian Division, for which averages are computed from daily reports.

⁹ Figures from the WPA, Division of Statistics; represent number of different persons employed during month.

¹⁰ Figures from the WPA, Division of Statistics; represent average weekly number of persons employed during month on projects financed from WPA funds.

¹¹ Figures from the Bureau of Labor Statistics, Division of Construction and Public Employment; represent average weekly number of persons employed on other work and construction projects financed in whole or in part from Federal funds during monthly period ended on 15th of specified month.

¹² For administrative reasons, some payments which would have been certified in December 1936 and February 1937 were not certified until January and March 1937, respectively.

¹³ Less than 500 persons.

lower. Total expenditures for general relief decreased only 1.3 percent, although the number of cases receiving assistance declined 4.3 percent.

Total disbursements for assistance and earnings in November 1939 amounted to 16.6 percent less than in the same month of 1938. The major part of this decline was attributable to a reduction of 41.0 percent in the total sum earned on WPA-operated projects. Expenditures for earnings on WPA-financed projects operated by other Federal agencies, earnings of persons enrolled in the CCC, and subsistence payments by the FSA also were smaller than in November 1938. For all other types of assistance and earnings, larger sums were spent in November 1939.

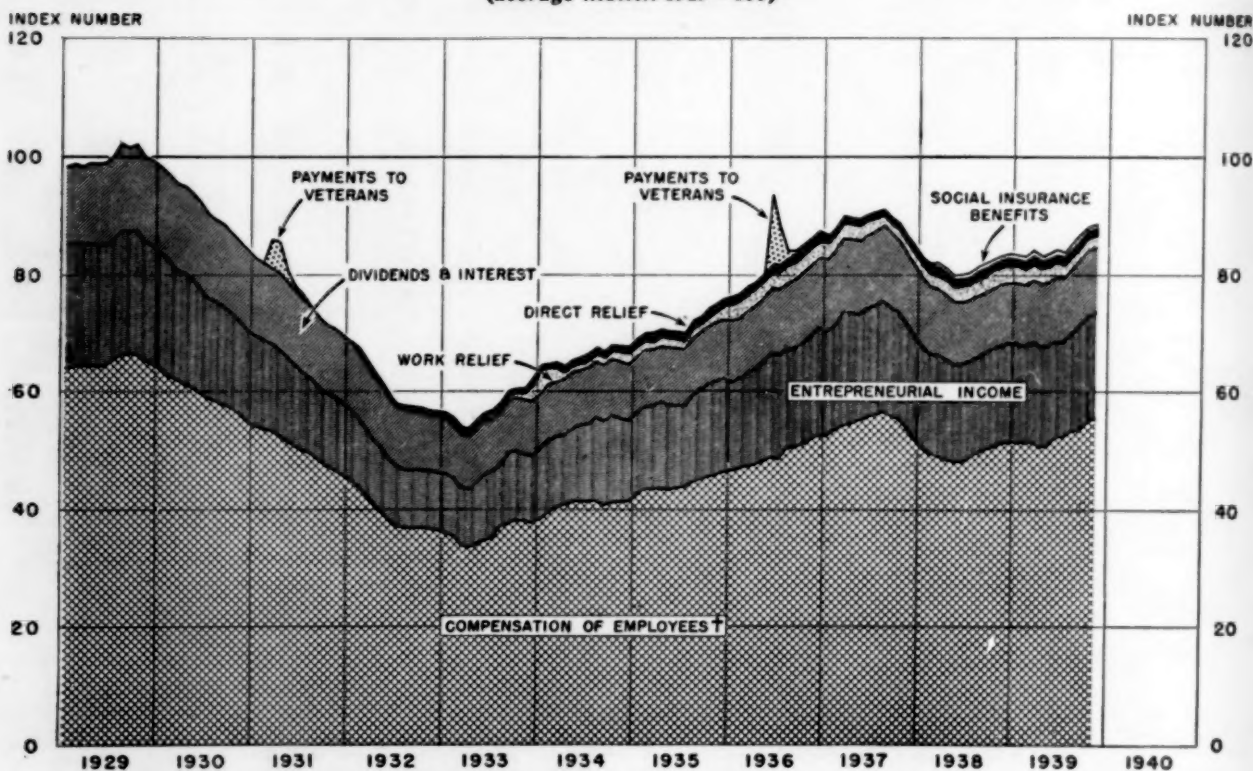
The movement of total income payments in the continental United States from January 1929 through November 1939 is shown in chart IV. This chart indicates the relative importance of different kinds of income payments, including those for public assistance and earnings under Federal work programs.

General Relief

In November assistance payments totaling \$38.2 million were disbursed to 1.6 million general relief cases in the continental United States. These totals include estimated data for seven States. Payments to cases are financed by the State and/or local governments without Federal participation and include assistance in cash and in kind and expenditures for services, such as medical care, to recipients. Excluded from the data on assistance payments are all costs of administering the programs, of hospitalization and burials, and of special programs financed with general relief funds.

For the group of 42 States for which complete reports were submitted for both October and November, the total number of cases receiving payments decreased 4.4 percent, and the total amount of obligations incurred declined 1.4 percent. Although aggregate disbursements were smaller in November, two-thirds of the 42 States

Chart IV.—Index of income payments in the continental United States, January 1929–November 1939
(average month 1929=100)¹



¹ Compensation of employees, entrepreneurial income, and dividends and interest adjusted for seasonal variation.
† Excludes work relief.

Source: U. S. Department of Commerce, National Income Division.

reported increased expenditures. The volume of payments rose more than 10.0 percent in November in Idaho, Illinois, Kansas, Maine, North Dakota, Oregon, and Washington. The upward movement in expenditures in Illinois reflects in part an increase in the amount of relief allowable in

Chicago; in that city relief payments were limited to 80 percent of a standard budget in November as compared with 65 percent in October. Of the 23 States in which the number of cases assisted increased from October to November, Mississippi, North Dakota, Oregon, Washington, and Wyo-

Table 8.—General relief in the continental United States, by States, November 1939

[Data reported by State agencies, corrected to Dec. 27, 1939]

State	Number of cases receiving relief	Amount of obligations incurred for relief ¹	Average amount per case	Percentage change from—			
				October 1939 in—		November 1938 in—	
				Number of cases	Amount of obligations	Number of cases	Amount of obligations
Total for continental United States ²	1,562,000	\$38,213,000					
Total for 42 States reporting adequate data.....	1,454,190	36,258,275	\$24.93	-4.4	-1.4	+5.0	+6.1
Alabama.....	2,259	20,621	9.13	+3.9	-3.8	-10.5	-11.2
Arizona.....	2,723	36,284	13.33	-1.8	+4	-11.7	-22.4
Arkansas.....	3,777	18,182	4.81	+7	+8	+3.1	+48.0
California.....	138,980	4,124,198	29.67	+3.3	+5.7	+49.7	+55.9
Colorado.....	13,928	181,213	13.01	+8	+1.0	(³)	(³)
Connecticut.....	19,578	818,279	26.47	-2.5	-2.2	-8.7	-2.0
Delaware.....	1,889	31,811	20.02	-7.1	-8.7	-25.7	-22.7
District of Columbia.....	1,694	43,637	25.75	+5.9	+6.3	+18.2	+18.3
Florida.....	10,222	67,680	6.62	+7.0	+3.7	+18.2	+15.9
Georgia.....	6,358	32,590	5.12	+2.9	+5.0	-8.4	-25.4
Idaho.....	1,960	28,235	14.41	+5.7	+15.6	(³)	(³)
Illinois.....	162,884	4,024,754	24.71	-3.8	+10.5	-2.9	-1.8
Indiana.....	52,455	686,235	13.08	-6.1	-8.2	-1.9	-3.7
Iowa.....	29,422	801,362	17.04	-3.8	-2.3	+11.3	+14.6
Kansas.....	25,170	341,028	13.55	+6.3	+14.3	+28.3	+39.1
Louisiana.....	7,669	97,601	12.73	-4	-4	-2.0	-8.0
Maine.....	19,898	1,207,779	30.99	+7.8	+11.1	-10.4	-14.0
Maryland.....	8,679	105,983	22.58	+2.5	+3.6	-8.0	-8.6
Massachusetts.....	68,452	1,882,795	27.51	+4	+4.8	+10.0	-11.1
Michigan.....	67,293	1,815,291	22.52	-5	+3.1	+15.8	+26.3
Minnesota.....	38,437	978,690	25.46	-4.7	-1.0	-1.7	-4.5
Mississippi.....	1,125	3,897	3.46	+14.1	-3	+15.7	+3.3
Missouri.....	23,786	300,133	12.62	+1.0	+9.3	-29.1	-21.4
Montana.....	4,579	64,949	14.18	+5.2	+4.5	-14.8	-18.6
Nebraska.....	9,407	111,175	11.82	-3.6	+1.7	+16.8	+10.4
Nevada.....	780	15,619	20.55	+7.6	+8.8	+27.3	+83.5
New Hampshire.....	7,435	175,458	23.60	+1.4	+5.3	-7.8	-19.4
New Mexico.....	2,021	13,574	6.72	-2.2	+3	+42.4	+79.6
New York.....	264,365	9,549,195	36.12	-3.4	-1.2	-3.8	-4.1
North Carolina.....	5,911	37,298	6.31	+1.2	-2.0	+20.2	+35.2
North Dakota.....	5,206	77,954	14.97	+12.9	+16.9	-5.4	-10.2
Ohio.....	100,271	1,602,936	15.99	-10.2	-13.8	+21.2	-9.1
Oregon.....	10,300	156,792	15.22	+16.6	+14.5	-17.8	-20.5
Pennsylvania.....	244,731	6,799,161	27.74	-15.0	-12.7	+5.7	+6.2
South Carolina.....	2,189	19,483	8.90	-2.0	-2.3	-20.3	-30.4
Utah.....	8,850	124,965	21.36	-11.3	-24.8	+91.1	+102.0
Vermont.....	2,748	61,770	22.48	+3.1	+2.1	+4	+3.3
Virginia.....	8,314	77,388	9.31	-8.4	+5.3	-6.6	+3
Washington.....	20,353	292,928	14.39	+13.3	+12.1	(³)	+12.0
West Virginia.....	10,775	97,974	9.09	-1.7	+2.8	-30.3	-50.7
Wisconsin.....	49,380	1,132,000	22.94	-1.2	+3.5	+10.0	+27.8
Wyoming.....	1,287	19,448	15.11	+10.2	+6.3	-24.5	-31.9
Total for 7 States for which figures are estimated ⁴	107,400	1,954,500					
Kentucky.....	4,700	43,000					
New Jersey.....	56,600	1,333,000					
Oklahoma.....	14,200	60,500					
Rhode Island.....	10,400	321,000					
South Dakota.....	5,000	74,000					
Tennessee.....	4,400	30,000					
Texas.....	12,100	93,000					

¹ From State and local funds. Excludes cost of administration; of materials, equipment, and other items incident to operation of work programs; and of special programs, hospitalization, and burials.

² Partly estimated.

³ Percentage change for 38 States and the District of Columbia reporting comparable data for November 1938 and November 1939; does not include Colorado, Idaho, or Washington.

⁴ Not computed, because comparable data are not available.

⁵ Medical care amounting to \$16,266 not included, because number of cases receiving this service only is not available.

⁶ Medical care amounting to \$32,699 not included, because number of cases receiving this service only is not available.

⁷ Estimated by the Social Security Board for all States except South Dakota, Tennessee, and Texas, for which estimates were made by State agencies.

ming reported upward changes of more than 10.0 percent.

The largest percentage declines in both the number of cases and volume of payments were recorded for Ohio, Pennsylvania, and Utah. The greatest relative decrease in expenditures occurred in Utah; total assistance payments dropped 24.8 percent, primarily because of a stringency of State and local funds. Because of the extremely large volume of general relief expenditures in Pennsylvania, a decline of 12.7 percent in that State was the most important factor in the downward movement of aggregate disbursements for the 42 States. The reduction in total obligations in Pennsylvania reflects increased employment on projects of the Work Projects Administration and in private industry. In Ohio total payments were 13.8 percent lower than in October.

In the 39 States reporting comparable data on cases and payments for November 1938 and November 1939, the total number of cases receiving assistance was 5.0 percent larger in November 1939, and total obligations were 6.1 percent higher. Despite the fact that total payments in the 39 States as a group were above the November 1938 level, smaller expenditures were recorded for November 1939 in 22 States. In 8 States the declines exceeded 20.0 percent; the largest—50.7 percent—was reported by West Virginia. Larger amounts were disbursed in November 1939 in 17 States; in 9 of these the rise from November 1938 amounted to more than 20.0 percent. The volume of assistance increased also in Washington, which is not included among the 39 States because comparable data on cases are not available.

Special Types of Public Assistance

During November obligations incurred for payments to recipients of old-age assistance, aid to dependent children, and aid to the blind in the 48 States, the District of Columbia, Alaska, and Hawaii totaled \$48.3 million. This aggregate amount includes assistance disbursed under State plans approved by the Social Security Board and payments made under State laws without financial participation by the Federal Government. The data on payments exclude all costs of administering the programs and expenditures for hospitalization and burial of recipients.

Practically all the total sum expended for the

special types of public assistance in November was disbursed in States administering these types of aid under the Social Security Act. Assistance to the aged is administered under approved plans in all 51 jurisdictions eligible for Federal grants, whereas aid to dependent children and aid to the blind are each administered under the Social Security Act in only 42 jurisdictions. Of the \$47.3 million expended for assistance in November in States with approved plans, \$36.7 million was received by 1.9 million recipients of old-age assistance, \$9.6 million was paid to 301,000 families for the assistance of 722,000 dependent children, and \$1.1 million was received by 45,600 blind persons.

Assistance payments totaling slightly more than \$1 million were paid to recipients of aid to the blind and to families with dependent children in States in which these types of aid are administered without Federal financial participation. Payments to 24,000 blind persons in Illinois, Missouri, Nevada, Pennsylvania, and Rhode Island amounted to \$677,000. The remainder—\$343,000—was disbursed to 14,200 families in behalf of 32,700 dependent children in Connecticut, Illinois, Iowa, Kentucky, Mississippi, Nevada, South Dakota, and Texas.

Total obligations incurred for the special types of public assistance in all jurisdictions rose only 0.7 percent from October to November, but as compared with the level in November 1938 the total volume of assistance increased \$3.9 million or 8.7 percent. Total payments for aid to dependent children showed the largest relative increase—12.7 percent. Disbursements for old-age assistance totaled 7.8 percent more than in the same month of 1938, and aggregate expenditures for aid to the blind increased 5.3 percent.

Old-Age Assistance

The total number of recipients of old-age assistance in the 51 jurisdictions with approved plans and the total amount of obligations incurred for payments to these recipients increased less than 1 percent from October to November. With a few exceptions, the States reported small percentage changes in both the number aided and the volume of assistance.

Maine reported the largest percentage increases in November—5.6 percent in the number of recipients and 5.7 percent in the total disbursed

for assistance. In Tennessee, where the program for old-age assistance has expanded steadily since the beginning of a new fiscal period in July 1939, there were further increases of 5.1 percent in both items. As compared with the level in June 1939—the last month of the previous fiscal period—the number of recipients in Tennessee in November was 92.2 percent higher. Total obligations incurred for assistance, however, increased only 46.0 percent over the same period.

In Kansas the volume of payments was 5.1 percent larger in November, although the number receiving assistance rose only 1.3 percent. In Alabama, where the number of recipients increased 3.2 percent despite a slight decline in total payments, the changes in November reflect the influence of factors operative during the 2 preceding months. In September—the final month of an appropriation period in Alabama—a shortage of county funds for the special types of public assistance and general relief in the largest county in the State resulted in a decline in total payments under each program. With the beginning of a new fiscal period in October, additional local funds

became available, and it was possible not only to make payments at the level existing in August but also to restore the September reductions. As a result, total payments in October were somewhat above the normal level.

The number on the old-age assistance rolls in New Hampshire declined only slightly, but the total amount of payments dropped 11.5 percent. In that State a more restricted budget for determining grants for old-age assistance became applicable to new cases in October and to the entire case load in November. This step was taken by the State Board of Public Welfare to enable expenditures for old-age assistance to be restricted to available appropriations. In South Carolina, where the sum appropriated from State funds for the special types of public assistance in the present fiscal year is smaller than that provided by the State in the previous period, there were further declines of 3.6 percent in the number of recipients and 4.1 percent in total obligations. From June to November the number aided in South Carolina had declined 14.1 percent, and the volume of assistance had decreased 14.4 percent.

Table 9.—Special types of public assistance in States with plans approved by the Social Security Board, by months, January 1938–November 1939¹

[Data reported by State agencies, corrected to Dec. 15, 1939]

Year and month	Number of recipients				Amount of obligations incurred for payments to recipients ²			
	Old-age assistance	Aid to dependent children ²		Aid to the blind	Total	Old-age assistance	Aid to dependent children ²	Aid to the blind
		Families	Children					
1938 total					\$494,796,722	\$390,404,488	\$93,428,185	\$10,964,049
January	1,602,025	218,009	541,224	33,595	39,050,567	31,227,485	7,014,662	808,420
February	1,625,539	224,737	557,613	35,149	39,510,592	31,443,867	7,222,237	844,488
March	1,648,306	231,001	572,582	36,393	40,217,107	31,821,575	7,524,472	871,060
April	1,664,541	236,241	585,190	37,218	40,522,123	32,116,413	7,630,714	875,996
May	1,680,052	240,079	594,024	38,131	40,787,565	32,364,745	7,540,168	882,632
June	1,659,295	243,422	603,335	38,783	40,872,494	32,323,431	7,644,607	904,436
July	1,709,812	244,712	606,164	39,596	41,475,321	32,875,578	7,671,460	928,283
August	1,719,124	251,743	620,181	40,195	41,885,425	32,965,294	7,978,814	941,347
September	1,734,195	254,800	628,925	41,001	42,337,724	33,310,643	8,071,495	955,586
October	1,638,552	257,430	633,847	41,448	40,287,468	31,181,926	8,188,484	967,088
November	1,764,590	261,116	641,737	42,256	43,437,490	34,032,132	8,422,218	983,140
December	1,779,300	266,223	654,306	42,938	44,412,816	34,792,429	8,618,854	1,001,533
1939 total (11 months)					507,177,911	394,358,758	101,465,699	11,356,454
January	1,790,904	273,689	670,091	43,355	44,986,773	35,076,750	8,900,389	1,009,634
February	1,803,171	282,109	686,553	43,739	45,278,534	35,192,045	9,067,642	1,018,847
March	1,816,842	284,261	689,966	43,968	45,457,525	35,290,410	9,173,347	1,023,768
April	1,833,392	282,010	683,899	44,238	45,291,139	35,366,068	8,899,968	1,025,103
May	1,835,674	286,192	691,671	44,160	45,249,905	35,290,236	8,968,954	1,020,715
June	1,845,328	297,344	718,000	44,579	46,161,354	35,858,372	9,272,093	1,030,889
July	1,861,094	298,998	720,971	44,855	46,611,205	36,247,753	9,328,858	1,034,594
August	1,874,721	299,326	721,371	45,222	46,833,353	36,439,564	9,353,503	1,040,286
September	1,888,022	300,107	723,057	45,274	47,022,523	36,572,437	9,406,794	1,043,292
October	1,897,091	300,449	722,911	45,404	46,972,241	36,388,677	9,532,860	1,050,704
November	1,907,642	300,549	722,371	45,564	47,313,359	36,693,446	9,561,291	1,058,622

¹ See the *Bulletin*, July 1939, p. 52, for information for February 1938–December 1937. Figures include relatively small numbers of cases eligible under State laws for which no Federal funds may be expended and payments to individuals in excess of amounts which can be matched from Federal funds. Figures are excluded for States not administering Federal funds.

² Includes estimates for Hawaii for January–May 1938.

³ From Federal, State, and local funds; excludes cost of administration and of hospitalization and burials.

All 51 jurisdictions made payments under plans approved by the Social Security Board in November 1938 and November 1939. In November 1939

the total number of recipients was 8.1 percent above the level a year earlier, and the total amount of obligations was 7.8 percent higher. The total

Table 10.—Old-age assistance in States with plans approved by the Social Security Board, by regions and States, November 1939

[Data reported by State agencies, corrected to Dec. 15, 1939]

Region ¹ and State	Number of recipients	Amount of obligations incurred for payments to recipients ²	Average amount per recipient	Percentage change from—				Number of recipients per 1,000 estimated population 65 years and over ³
				October 1939 in—		November 1939 in—		
				Number of recipients	Amount of obligations	Number of recipients	Amount of obligations	
Total.....	1,907,642	\$36,693,446	\$19.23	+0.6	+0.8	+8.1	+7.8	426
Region I:								
Connecticut.....	16,759	438,196	26.15	+8	-1.9	+11.0	+12.0	143
Maine.....	13,212	272,946	20.66	+5.6	+5.7	+9.4	+8.8	154
Massachusetts.....	81,945	2,349,101	28.67	+1.0	+2.0	+10.5	+12.1	248
New Hampshire.....	4,538	95,317	21.00	-8	-11.5	+15.4	+4.9	87
Rhode Island.....	6,768	129,728	19.17	+9	+1.0	+8.1	+10.3	180
Vermont.....	5,622	87,116	15.50	+9	+1.5	+7.5	+15.4	144
Region II:								
New York.....	114,942	2,828,080	24.60	+1.4	+2.4	+5.5	+8.2	145
Region III:								
Delaware.....	2,604	28,576	10.97	-1.6	-1.6	+6	+2.0	124
New Jersey.....	30,543	614,665	20.12	+7	+1.3	+14.4	+19.9	122
Pennsylvania.....	79,297	1,719,916	21.69	-8	-2	-9.3	-7.8	128
Region IV:								
District of Columbia.....	3,338	83,495	25.01	+5	+8	+2.7	+8	79
Maryland.....	17,786	309,231	17.39	+4	+4	+3.1	+2.5	164
North Carolina.....	34,859	346,251	9.93	+6	+9	+10.1	+17.6	230
Virginia.....	15,932	153,955	9.66	+1.9	+2.5	+179.9	+194.7	106
West Virginia.....	17,446	214,398	12.29	-1.7	-1.8	-2.7	-13.2	223
Region V:								
Kentucky.....	45,198	391,675	8.67	+1	+1	+2.9	+1.8	244
Michigan.....	78,256	1,288,062	16.46	-1.1	-1.1	+10.6	+6.1	268
Ohio.....	125,525	2,864,130	22.82	+1.5	+1.7	+13.9	+12.9	290
Region VI:								
Illinois.....	137,815	2,740,658	19.89	+7	+1.5	+11.5	+20.5	273
Indiana.....	65,834	1,152,587	17.51	+5	+8	+26.7	+34.8	228
Wisconsin.....	49,257	1,064,471	21.61	+1.1	+1.4	+14.5	+19.6	224
Region VII:								
Alabama.....	18,300	173,770	9.50	+3.2	-5	+16.2	+15.8	166
Florida.....	36,279	424,653	11.71	-2	-7	+10.3	-6.9	382
Georgia.....	22,708	183,691	8.09	+3	+2	-36.1	-41.3	173
Mississippi.....	19,866	148,699	7.49	(*)	+4	+8.0	+17.9	232
South Carolina.....	21,454	174,880	8.15	-3.6	-4.1	-4.9	-6.9	346
Tennessee.....	40,756	400,076	10.04	+5.1	+5.1	+81.6	+37.7	312
Region VIII:								
Iowa.....	53,457	1,071,820	20.05	+6	+8	+5.9	+7.1	244
Minnesota.....	66,113	1,375,116	20.80	-1	+1	+2.1	+4.4	339
Nebraska.....	27,282	395,017	14.48	+3	+1	+1.8	-10.0	278
North Dakota.....	8,746	155,454	17.77	+1.9	+2.0	+12.6	+15.6	243
South Dakota.....	14,043	242,479	17.27	+3	+5	-12.7	-24.9	334
Region IX:								
Arkansas.....	18,194	109,310	6.01	+1.4	+1.3	+5.9	+32.4	225
Kansas.....	25,697	482,380	18.77	+1.3	+5.1	+18.9	+15.2	221
Missouri.....	77,766	1,472,756	18.94	+8	+8	+5.8	+9.2	249
Oklahoma.....	70,047	1,232,102	17.59	+5	+5	+8.3	+25.0	289
Region X:								
Louisiana.....	29,786	320,591	10.76	-8	(*)	+8.0	+14.3	267
New Mexico.....	3,937	51,653	13.12	+5	+2.8	+5.3	+23.8	262
Texas.....	121,042	1,041,577	8.61	+1	+1.8	+7.1	-33.4	425
Region XI:								
Arizona.....	7,703	204,174	26.50	+7	+9	+14.9	+16.9	433
Colorado.....	39,837	1,250,272	31.38	+4	-2.6	+6.2	+15.1	402
Idaho.....	8,529	183,444	21.51	+9	+9	-3.2	-3.4	319
Montana.....	12,166	218,082	17.93	-3	-2	-2.5	-14.5	302
Utah.....	13,821	290,593	21.03	+2	+2	+3.7	+6.9	512
Wyoming.....	3,283	76,329	23.25	+9	+1.0	+10.9	+19.7	330
Region XII:								
California.....	134,010	4,407,283	32.89	+2	+7	+7.2	+8.8	291
Nevada.....	2,251	59,894	26.61	+3	+5	+8.7	+9.4	375
Oregon.....	20,998	448,304	21.35	+3	+2	+11.2	+11.5	250
Washington.....	30,068	861,984	22.06	(*)	+1	+4.1	+4.1	313
Territories:								
Alaska.....	1,314	36,577	27.78	+8	+1.0	+25.0	+27.0	329
Hawaii.....	1,713	18,953	11.06	-2	+4	-3.9	-15.5	176

¹ Social Security Board administrative regions.

² From Federal, State, and local funds; excludes cost of administration and of hospitalization and burials.

³ Population as of July 1, 1938, estimated with advice of the U. S. Bureau of the Census.

⁴ Adjustments have been made for grants covering 2 or more eligible individuals for Alabama, Arkansas, Georgia, Idaho, Kansas, Louisiana, Mary

land, Mississippi, New Hampshire, New Mexico, North Carolina, South Carolina, Tennessee, West Virginia, Wyoming, and Hawaii.

⁵ Minimum age under State plan is 70 years, but rate is based on population 65 and over.

⁶ Increase of less than 0.1 percent.

⁷ Includes \$106,066 incurred for payments to 3,394 recipients 60 but under 65 years of age. Rate per 1,000 excludes these recipients.

volume of payments to recipients was at least 20.0 percent greater in November 1939 in Alaska, Arkansas, Illinois, Indiana, New Mexico, Oklahoma, Tennessee, and Virginia.

Aid to Dependent Children

From October to November, there was practically no change in the total numbers of families and children receiving assistance in the 42 jurisdictions administering aid to dependent children under approved plans, or in the total amount of payments to these recipients. A number of the individual States, however, reported sizable percentage changes in one or more of these items.

In Virginia the numbers of families and children increased 9.3 and 10.0 percent, respectively, and the volume of payments rose 9.3 percent. During the latter part of October the Virginia State Board of Public Welfare allocated additional State funds to the program for aid to dependent children. New Mexico reported a gain of 11.3 percent in total disbursements for assistance, although the numbers of families and children aided were less than 2 percent higher than in October. In Florida there were increases of 4.9 percent in the number of families, 9.2 percent in the number of children, and 3.5 percent in the amount of obligations incurred. Further increases of 3 to 5 percent in families, children, and payments were recorded for New Hampshire, where the program has expanded each month since March 1939. In addition, upward changes of at least 3.0 percent in one or more items in November were reported by Hawaii, Kansas, Massachusetts, and North Dakota.

In Utah very slight changes in the numbers benefiting were accompanied by a decline of 8.8 percent in total payments. This substantial reduction in disbursements for assistance was attributable to a shortage of State and local funds. South Carolina reported decreases of 4.3 percent in the number of families, 3.5 percent in the number of children, and 5.4 percent in the volume of payments. These declines reflect the influence of a reduction in the amount of State funds appropriated to the State public-assistance agency for the fiscal period which began in July 1939. From June to November the numbers of families and children assisted in South Carolina had declined 17.9 and 16.6 percent, respectively, and total expenditures had decreased 17.7 percent. In Michi-

gan the number of families on the rolls and total obligations were each about 3.0 percent below the October level, and the number of children aided was 7.0 percent lower. Total payments to recipients in Alabama decreased 3.9 percent in November, although the numbers of families and children each increased slightly. The circumstances that have been described in connection with the recent changes in the program for old-age assistance in Alabama also explain the changes in the program for aid to dependent children.

Each of the 42 jurisdictions making payments under an approved plan in November 1939 also made payments under the Social Security Act in November 1938. The total numbers of families and children aided in November 1939 were 15.1 and 12.6 percent greater, respectively, than the numbers aided in the same month of 1938, and the total amount of obligations incurred was 13.5 percent larger. Total disbursements for assistance had expanded to a much greater extent in a number of the individual States. Expansions of 30.0 percent or more in total obligations were recorded for Arkansas, Florida, New Hampshire, New Mexico, North Dakota, Pennsylvania, Vermont, Virginia, and Wyoming.

Aid to the Blind

The total number of persons receiving aid to the blind in the 42 jurisdictions with plans approved by the Social Security Board and the total amount of obligations incurred for payments to these recipients each increased slightly in November. Most of the States reported small percentage changes in both items.

In New Mexico the volume of payments moved upward 9.8 percent, although the number assisted increased only 1.4 percent. Virginia reported increases of 4.2 percent in the number of recipients and 4.9 percent in the amount of obligations. In Virginia payments under an approved plan were first made in September 1938. The total expended for aid to the blind in Kansas was 3.8 percent larger in November, and the number aided rose slightly.

An upward change of 5.0 percent in total payments in Michigan was accompanied by a decline of 1.7 percent in the number of recipients. In Connecticut the number assisted increased 4.2 percent, while total disbursements dropped 9.0 percent. The number on the rolls in Alabama

was practically unchanged, but the volume of assistance decreased 4.5 percent for the same reasons discussed in connection with the program for old-age assistance.

The program for aid to the blind in South Carolina continued to reflect the influence of the reduced appropriation from State funds for the current fiscal year; in November the number

Table 11.—Aid to dependent children in States with plans approved by the Social Security Board, by regions and States, November 1939

[Data reported by State agencies, corrected to Dec. 15, 1939]

Region ¹ and State	Number of recipients		Amount of obligations incurred for payments to recipients ²	Average amount per family	Percentage change from—						Number of recipients per 1,000 estimated population under 16 years ³
					October 1939 in—			November 1938 in—			
					Number of recipients		Amount of obligations	Number of recipients		Amount of obligations	
	Families	Children			Families	Children					
Total.....	300,549	722,371	\$9,561,291	\$31.81	(⁴)	-0.1	+0.3	+15.1	+12.6	+13.5	24
Region I:											
Maine.....	1,430	3,640	54,340	38.00	-2	-6	-1	+7.8	+4.7	+9.0	15
Massachusetts.....	11,032	28,227	656,369	59.39	+2.3	+2.0	+3.5	+19.6	+25.4	+11.1	25
New Hampshire.....	597	1,578	25,189	42.19	+3.5	+3.6	+4.6	+73.5	+71.0	+92.0	12
Rhode Island.....	1,161	3,135	53,708	46.26	+1.0	+1.5	+1.2	+13.8	+12.8	+10.5	17
Vermont.....	471	1,364	14,312	30.39	-2	-1.9	+4	+35.0	+27.7	+62.7	13
Region II:											
New York.....	36,486	72,677	1,798,521	49.29	-3	-2	+4	+5.6	+4.1	+6.2	23
Region III:											
Delaware.....	494	1,233	15,506	31.39	+2	+1.4	+9	+6.0	+13.1	+8.5	18
New Jersey.....	10,798	23,689	322,491	29.87	-2	-2	-2	-2.5	-4.6	-4	21
Pennsylvania.....	29,734	68,705	1,053,231	35.42	-7	-1.0	-9	+73.1	+62.9	+77.0	24
Region IV:											
District of Columbia.....	906	2,683	34,327	37.89	-1.6	-8	-1.3	-14.2	-16.5	-29.9	21
Maryland.....	7,230	19,598	227,218	31.43	-3	-1	+8	-3.6	-4.1	-3.9	44
North Carolina.....	8,063	20,789	122,861	15.24	-1	-4	+2	+5.8	-2	+6.0	16
Virginia.....	1,574	5,129	33,625	21.36	+9.3	+10.0	+9.3	+131.5	+103.5	+147.0	6
West Virginia.....	7,245	20,458	142,273	19.64	-1.3	-1.1	-5	+23.8	+20.4	+14.2	32
Region V:											
Michigan.....	13,619	29,864	510,853	37.51	-3.1	-7.0	-3.0	+12.5	+5.8	+5.6	23
Ohio.....	10,111	28,514	386,394	38.22	-7	-9	-9	-6.0	-7.7	-9.5	18
Region VI:											
Indiana.....	17,013	34,931	471,442	27.71	(⁴)	(⁴)	+2	+13.6	+11.0	+15.2	28
Wisconsin.....	11,841	27,194	452,284	38.20	+7	+6	+7	+12.5	+9.7	+14.9	30
Region VII:											
Alabama.....	5,483	16,169	70,419	12.84	+1.3	+1.4	-3.9	-6	-1.1	-2	16
Florida.....	4,027	10,565	83,032	20.62	+4.9	+9.2	+3.5	+101.9	+102.3	+168.1	22
Georgia.....	3,593	9,615	73,339	20.41	-1.0	-1.1	-9	-20.9	-21.2	-23.3	9
South Carolina.....	3,913	11,624	63,704	16.28	-4.3	-3.5	-5.4	+1.4	+2.3	+16.5	17
Tennessee.....	9,725	25,843	178,100	18.31	-6	-4	-4	-2.5	-4.0	-2.9	28
Region VIII:											
Minnesota.....	8,112	19,630	285,374	35.18	+1.0	+7	+1.3	+24.8	+19.2	+23.2	27
Nebraska.....	5,123	11,554	124,534	24.31	+6	+4	+7	+14.1	+11.7	+6.8	30
North Dakota.....	2,226	6,209	70,415	31.63	+3.6	+2.9	+2.5	+87.2	+67.6	+73.8	27
Region IX:											
Arkansas.....	4,018	10,958	32,521	8.09	-5	+1	-5	-8	-2.4	+48.0	16
Kansas.....	6,154	13,694	169,915	27.61	+2.7	+1.2	+4.1	+35.5	+25.9	+23.8	27
Missouri.....	9,919	23,199	191,300	19.29	+1.1	-1.4	+1.2	+37.0	+29.8	-13.1	23
Oklahoma.....	17,426	40,024	212,016	12.17	+4	+5	+8	+17.3	+16.1	+2.2	49
Region X:											
Louisiana.....	11,202	32,028	239,434	21.37	+1	+5	+4	+19.6	+20.4	+21.1	47
New Mexico.....	1,745	5,116	42,954	24.62	+1.4	+1.6	+11.3	+21.6	+23.7	+64.1	35
Region XI:											
Arizona.....	2,495	6,843	79,936	32.04	-7	+3	-2	+29.6	+19.4	+25.2	53
Colorado.....	4,951	12,078	147,356	29.76	+1.7	+1.6	+1.7	+29.3	+22.4	+24.7	41
Idaho.....	2,649	6,342	72,406	27.33	+3	+3	+6	-2	+8	+2.8	41
Montana.....	2,171	5,101	59,491	27.40	+8	+1.2	+1.9	+4.8	+5.4	+1.8	34
Utah.....	3,282	7,898	105,693	32.20	(⁴)	+3	-8.8	+12.1	+8.4	+11.3	45
Wyoming.....	724	1,798	22,875	31.60	+1.7	+1.9	+2.0	+28.1	+24.5	+30.0	26
Region XII:											
California.....	14,195	34,774	613,031	43.19	+1.2	+8	+1.7	+11.9	+10.9	+19.5	26
Oregon.....	1,884	4,329	75,213	39.92	-1	+1.4	-4	+22.8	+27.8	+26.7	17
Washington.....	4,775	10,889	142,325	29.81	(⁴)	+4	+7	-18.1	-16.9	-15.9	27
Territory:											
Hawaii.....	932	3,293	30,961	33.22	+1.7	+3.1	+4.2	+1.9	+2.0	-2.0	24

¹ Social Security Board administrative regions.

² From Federal, State, and local funds; excludes cost of administration and of hospitalization and burials.

³ Population as of July 1, 1938, estimated with advice of the U. S. Bureau of the Census.

⁴ Increase of less than 0.1 percent.

⁵ Includes an unknown number of children 16 years of age and over.

⁶ Decrease of less than 0.1 percent.

⁷ Includes approximately 2,774 children 16 years of age and over. Rate per 1,000 excludes these children.

⁸ Includes aid to dependent children administered under State law without Federal participation.

⁹ In addition, in 71 counties payments amounting to \$12,183 were made from local funds without Federal participation to 739 families in behalf of 1,615 children under the State mothers' pension law. Figures for similar payments in Douglas County are not available. Some families receiving aid from this source for November also received aid under State plan for aid to dependent children approved by the Social Security Board.

¹⁰ Includes 230 children 16 years of age and over. Rate per 1,000 excludes these children.

of recipients declined 3.1 percent, and the amount of payments 4.5 percent.

The 42 jurisdictions administering aid to the blind under the Social Security Act in November 1939 also made payments under approved plans in November 1938. In November 1939 the number of recipients was 7.8 percent greater than a year earlier, and the total amount of payments was

7.7 percent larger. Total disbursements for assistance had increased at least three times as much as in all States combined in Arkansas, Connecticut, Louisiana, Minnesota, Mississippi, New Mexico, North Dakota, Vermont, and Virginia. The largest percentage decreases in total payments occurred in Florida, Georgia, South Dakota, and Tennessee.

Table 12.—Aid to the blind in States with plans approved by the Social Security Board, by regions and States, November 1939

[Data reported by State agencies, corrected to Dec. 15, 1939]

Region ¹ and State	Number of recipients	Amount of obligations incurred for payments to recipients ²	Average amount per recipient	Percentage change from—				Number of recipients per 100,000 estimated population ³
				October 1939 in—		November 1938 in—		
				Number of recipients	Amount of obligations	Number of recipients	Amount of obligations	
Total.....	45,564	\$1,058,622	\$23.23	+0.4	+0.8	+7.8	+7.7	47
Region I:								
Connecticut.....	4,246	\$5,914	24.04	+4.2	-9.0	+30.2	+49.0	14
Maine.....	1,245	28,437	22.84	+2	+2	-6	-4	145
Massachusetts.....	1,170	26,568	22.71	+5	+1.2	+7.8	+12.6	26
New Hampshire.....	320	7,287	22.77	-3	-6	+5.6	+11.7	63
Vermont.....	156	3,246	20.81	-6	-9	+14.7	+42.9	41
Region II:								
New York.....	2,715	68,536	25.24	(⁴)	+1.5	+3.2	+7.8	21
Region III:								
New Jersey.....	653	14,954	22.90	+9	+1.0	+9.6	+12.1	15
Region IV:								
District of Columbia.....	209	5,354	25.62	-9	-1.4	-4.1	-9.2	33
Maryland.....	668	14,062	21.05	+1.7	+1.2	+7.4	+7.5	40
North Carolina.....	1,938	29,076	14.85	+9	+1.1	+4	+2.0	56
Virginia.....	944	11,918	12.63	+4.2	+4.9	+103.0	+107.6	35
West Virginia.....	814	12,722	15.63	-6	-4	+9.0	-7	44
Region V:								
Michigan.....	745	18,778	25.21	-1.7	+5.0	+13.1	+10.8	15
Ohio.....	3,901	75,710	19.41	-8	-1.8	-6	-1.7	58
Region VI:								
Indiana.....	2,447	49,084	20.06	-2	+4	-1.0	+2.8	70
Wisconsin.....	1,998	45,783	22.91	+4	+6	+1.6	+4.1	68
Region VII:								
Alabama.....	549	4,864	8.86	+2	-4.5	+16.3	+16.5	19
Florida.....	2,158	\$26,715	12.38	+1.1	+1.3	+7	-14.5	129
Georgia.....	998	9,998	10.02	-4	-4	-17.6	-24.8	32
Mississippi.....	641	4,698	7.33	+1.7	+2.5	+118.0	+126.4	32
South Carolina.....	815	8,757	10.75	-3.1	-4.5	-1.7	+10.4	43
Tennessee.....	1,615	17,776	11.01	-1	+2	+12.3	-15.8	56
Region VIII:								
Iowa.....	1,432	33,396	23.31	+1	+5	+13.2	+13.8	56
Minnesota.....	861	22,688	26.35	+1.3	+1.9	+16.4	+24.6	32
Nebraska.....	644	12,689	19.70	-6	-7	+8.8	+7.4	47
North Dakota.....	137	2,900	21.17	+1.5	+4.8	+25.7	+38.8	19
South Dakota.....	230	3,638	15.82	+9	+1	+7.0	-16.5	33
Region IX:								
Arkansas.....	656	4,251	6.48	+2.0	+1.8	+6.8	+55.0	32
Kansas.....	1,156	22,701	19.64	+8	+3.8	+19.3	+13.5	62
Oklahoma.....	2,156	32,447	15.05	(⁴)	+7	+8.8	+1.5	85
Region X:								
Louisiana.....	984	13,498	13.72	+6	+1.0	+35.0	+42.2	46
New Mexico.....	213	3,531	16.58	+1.4	+9.8	+6.0	+30.5	50
Region XI:								
Arizona.....	330	8,437	25.57	+3	+9	+13.0	+18.6	80
Colorado.....	640	18,014	28.15	+1.4	+2.6	+4.6	+4.4	60
Idaho.....	285	6,134	21.52	+7	+1.0	-3.4	-6.5	58
Montana.....	160	3,306	20.66	+1.3	+1.6	(⁴)	(⁴)	30
Utah.....	213	5,650	26.53	-1.8	-2	+5.4	+10.1	41
Wyoming.....	154	4,255	27.63	+2.0	+1.1	-2.5	-6.1	66
Region XII:								
California.....	6,796	327,316	48.16	+9	+1.0	+12.0	+12.6	110
Oregon.....	455	11,530	25.34	-2	-2	+4.6	+3.9	44
Washington.....	1,025	31,081	30.29	+1.0	+1.1	+3	-2.3	62
Territory:								
Hawaii.....	71	933	13.14	(⁴)	(⁴)	(⁴)	(⁴)	18

¹ Social Security Board administrative regions.

² From Federal, State, and local funds; excludes cost of administration and of hospitalization and burials.

³ Population as of July 1, 1937, estimated by the U. S. Bureau of the Census.

⁴ Includes aid to the blind administered under State law without Federal participation.

⁵ No change.

⁶ Does not include aid to the blind administered under State law without Federal participation.

⁷ Not computed, because figures too small for comparison.

was practically unchanged, but the volume of assistance decreased 4.5 percent for the same reasons discussed in connection with the program for old-age assistance.

The program for aid to the blind in South Carolina continued to reflect the influence of the reduced appropriation from State funds for the current fiscal year; in November the number

Table 11.—Aid to dependent children in States with plans approved by the Social Security Board, by regions and States, November 1939

[Data reported by State agencies, corrected to Dec. 15, 1939]

Region ¹ and State	Number of recipients		Amount of obligations incurred for payments to recipients ²	Average amount per family	Percentage change from—						Number of recipients per 1,000 estimated population under 16 years ³
					October 1939 in—			November 1938 in—			
					Number of recipients		Amount of obligations	Number of recipients		Amount of obligations	
	Families	Children			Families	Children					
Total.....	300,549	722,371	\$9,561,291	\$31.81	(⁴)	-6.1	+0.3	+15.1	+12.6	+13.5	24
Region I:											
Maine.....	1,430	3,640	54,340	38.00	-2	-6	-1	+7.8	+4.7	+9.0	15
Massachusetts.....	11,052	28,227	656,369	59.39	+2.3	+2.0	+3.5	+19.6	+25.4	+11.1	25
New Hampshire.....	597	1,578	25,189	42.19	+3.5	+3.6	+4.6	+73.5	+71.0	+62.0	12
Rhode Island.....	1,161	3,135	53,708	46.26	+1.0	+1.5	+1.2	+13.8	+12.8	+10.5	17
Vermont.....	471	1,364	14,312	30.39	-2	-1.9	+4	+35.0	+27.7	+62.7	13
Region II:											
New York.....	36,486	72,077	1,798,521	49.29	-3	-2	+4	+5.6	+4.1	+6.2	23
Region III:											
Delaware.....	494	1,233	15,506	31.39	+2	+1.4	+9	+6.0	+13.1	+8.5	18
New Jersey.....	10,798	23,689	322,491	29.87	-2	-2	-2	-2.5	-4.6	-4	21
Pennsylvania.....	29,734	68,705	1,053,231	35.42	-7	-1.0	-9	+73.1	+62.9	+77.0	24
Region IV:											
District of Columbia.....	906	2,683	34,327	37.89	-1.6	-8	-1.3	-14.2	-16.5	-29.9	21
Maryland.....	7,230	19,598	227,218	31.43	-3	-1	+8	-3.6	-4.1	-3.9	44
North Carolina.....	8,063	20,789	122,861	15.24	-1	-4	+2	+5.8	-2	+6.0	16
Virginia.....	1,574	5,129	33,625	21.36	+9.3	+10.0	+9.3	+131.5	+103.5	+147.0	6
West Virginia.....	7,245	20,458	142,273	19.64	-1.3	-1.1	-5	+23.8	+20.4	+14.2	32
Region V:											
Michigan.....	13,619	29,864	510,853	37.51	-3.1	-7.0	-3.0	+12.5	+5.8	+5.6	23
Ohio.....	10,111	28,514	386,394	38.22	-7	-9	-9	-6.0	-7.7	-9.5	19
Region VI:											
Indiana.....	17,013	34,931	471,442	27.71	(⁵)	(⁵)	+2	+13.6	+11.0	+15.2	36
Wisconsin.....	11,841	27,194	432,284	38.20	+7	+6	+7	+12.5	+9.7	+14.9	30
Region VII:											
Alabama.....	5,483	16,169	70,419	12.84	+1.3	+1.4	-3.9	-6	-1.1	-2	18
Florida.....	4,027	10,565	83,032	20.62	+4.9	+9.2	+3.5	+101.9	+102.3	+168.1	22
Georgia.....	3,593	9,615	73,339	20.41	-1.0	-1.1	-9	-20.9	-21.2	-23.3	9
South Carolina.....	3,913	11,624	63,704	16.28	-4.3	-3.5	-5.4	+1.4	+2.3	+16.5	17
Tennessee.....	9,725	25,843	178,160	18.31	-6	-4	-4	-2.5	-4.0	-2.9	28
Region VIII:											
Minnesota.....	8,112	19,620	285,374	35.18	+1.0	+7	+1.3	+24.8	+19.2	+23.2	27
Nebraska.....	5,123	11,554	124,534	24.31	+6	+4	+7	+14.1	+11.7	+6.8	30
North Dakota.....	2,226	6,309	70,415	31.63	+3.6	+2.9	+2.5	+87.2	+67.6	+73.8	27
Region IX:											
Arkansas.....	4,018	10,958	32,521	8.69	-5	+1	-5	-8	-2.4	+48.0	16
Kansas.....	6,154	13,694	169,915	27.61	+2.7	+1.2	+4.1	+35.5	+25.9	+23.8	27
Missouri.....	9,919	23,199	191,300	19.29	+1.1	-1.4	+1.2	+37.0	+29.8	-13.1	23
Oklahoma.....	17,426	40,024	212,016	12.17	+4	+5	+8	+17.3	+16.1	+2.2	49
Region X:											
Louisiana.....	11,202	32,028	239,434	21.37	+1	+5	+4	+19.6	+20.4	+21.1	47
New Mexico.....	1,745	5,116	42,954	24.62	+1.4	+1.6	+11.3	+21.6	+23.7	+64.1	35
Region XI:											
Arizona.....	2,495	6,843	79,936	32.64	-7	+3	-2	+29.6	+19.4	+25.2	53
Colorado.....	4,951	12,078	147,356	29.76	+1.7	+1.6	+1.7	+29.3	+22.4	+24.7	41
Idaho.....	2,649	6,342	72,406	27.33	+3	+3	+6	-2	+8	+2.8	41
Montana.....	2,171	5,101	59,491	27.40	+8	+1.2	+1.9	+4.8	+5.4	+1.8	34
Utah.....	3,252	7,898	105,693	32.20	(⁶)	+3	-8.8	+12.1	+8.4	+11.3	45
Wyoming.....	724	1,798	22,878	31.60	+1.7	+1.9	+2.0	+28.1	+24.5	+30.0	26
Region XII:											
California.....	14,195	34,774	613,031	43.19	+1.2	+8	+1.7	+11.9	+10.9	+19.5	26
Oregon.....	1,884	4,329	75,213	39.92	+1	+1.4	-4	+22.8	+27.8	+26.7	17
Washington.....	4,775	10,889	142,325	29.81	(⁶)	+4	+7	-18.1	-16.9	-15.9	27
Territory:											
Hawaii.....	932	3,293	30,961	33.22	+1.7	+3.1	+4.2	+1.9	+2.0	-2.0	24

¹ Social Security Board administrative regions.

² From Federal, State, and local funds; excludes cost of administration and of hospitalization and burials.

³ Population as of July 1, 1938, estimated with advice of the U. S. Bureau of the Census.

⁴ Increase of less than 0.1 percent.

⁵ Includes an unknown number of children 16 years of age and over.

⁶ Decrease of less than 0.1 percent.

⁷ Includes approximately 2,774 children 16 years of age and over. Rate per 1,000 excludes these children.

⁸ Includes aid to dependent children administered under State law without Federal participation.

⁹ In addition, in 71 counties payments amounting to \$12,183 were made from local funds without Federal participation to 739 families in behalf of 1,515 children under the State mothers'-pension law. Figures for similar payments in Douglas County are not available. Some families receiving aid from this source for November also received aid under State plan for aid to dependent children approved by the Social Security Board.

¹⁰ Includes 230 children 16 years of age and over. Rate per 1,000 excludes these children.

of recipients declined 3.1 percent, and the amount of payments 4.5 percent.

The 42 jurisdictions administering aid to the blind under the Social Security Act in November 1939 also made payments under approved plans in November 1938. In November 1939 the number of recipients was 7.8 percent greater than a year earlier, and the total amount of payments was

7.7 percent larger. Total disbursements for assistance had increased at least three times as much as in all States combined in Arkansas, Connecticut, Louisiana, Minnesota, Mississippi, New Mexico, North Dakota, Vermont, and Virginia. The largest percentage decreases in total payments occurred in Florida, Georgia, South Dakota, and Tennessee.

Table 12.—Aid to the blind in States with plans approved by the Social Security Board, by regions and States, November 1939

[Data reported by State agencies, corrected to Dec. 15, 1939]

Region ¹ and State	Number of recipients	Amount of obligations incurred for payments to recipients ²	Average amount per recipient	Percentage change from—				Number of recipients per 100,000 estimated population ³
				October 1939 in—		November 1938 in—		
				Number of recipients	Amount of obligations	Number of recipients	Amount of obligations	
Total.....	45,564	\$1,058,622	\$23.23	+0.4	+0.8	+7.8	+7.7	47
Region I:								
Connecticut.....	4246	45,914	24.04	+4.2	-9.0	+30.2	+49.0	14
Maine.....	1,245	28,437	22.84	+2	+2	-6	-4	145
Massachusetts.....	1,170	26,568	22.71	+5	+1.2	+7.8	+12.6	26
New Hampshire.....	320	7,287	22.77	-3	-6	+5.6	+11.7	63
Vermont.....	156	3,246	20.81	-6	-9	+14.7	+42.9	41
Region II:								
New York.....	2,715	68,536	25.24	(⁷)	+1.5	+3.2	+7.8	21
Region III:								
New Jersey.....	653	14,954	22.90	+9	+1.0	+9.6	+12.1	15
Region IV:								
District of Columbia.....	209	5,354	25.62	-9	-1.4	-4.1	-9.2	33
Maryland.....	668	14,062	21.05	+1.7	+1.2	+7.4	+7.5	40
North Carolina.....	1,958	29,076	14.85	+9	+1.1	+4	+2.0	56
Virginia.....	944	11,918	12.63	+4.2	+4.9	+103.0	+107.6	35
West Virginia.....	814	12,722	15.63	-6	-4	+9.0	-7	44
Region V:								
Michigan.....	745	18,778	25.21	-1.7	+5.0	+13.1	+10.8	15
Ohio.....	3,901	75,710	19.41	-8	-1.8	-6	-1.7	58
Region VI:								
Indiana.....	2,447	49,084	20.06	-2	+4	-1.0	+2.8	70
Wisconsin.....	1,998	45,783	22.91	+4	+6	+1.6	+4.1	68
Region VII:								
Alabama.....	549	4,864	8.86	+2	-4.5	+16.3	+16.5	19
Florida.....	2,158	26,715	12.38	+1.1	+1.3	+7	-14.5	129
Georgia.....	968	9,998	10.02	-4	-4	-17.6	-24.8	32
Mississippi.....	641	4,698	7.33	+1.7	+2.5	+118.0	+126.4	32
South Carolina.....	815	8,757	10.75	-3.1	-4.5	-1.7	+10.4	43
Tennessee.....	1,615	17,776	11.01	-1	+2	+12.3	-15.8	56
Region VIII:								
Iowa.....	1,432	33,386	23.31	+1	+5	+13.2	+13.8	56
Minnesota.....	861	22,688	26.35	+1.3	+1.9	+16.4	+24.6	32
Nebraska.....	644	12,689	19.70	-6	-7	+8.8	+7.4	47
North Dakota.....	137	2,900	21.17	+1.5	+4.8	+25.7	+38.8	19
South Dakota.....	230	3,638	15.82	+9	+1	+7.0	-16.5	33
Region IX:								
Arkansas.....	656	4,251	6.48	+2.0	+1.8	+6.8	+55.0	32
Kansas.....	1,156	22,701	19.64	+8	+3.8	+19.3	+13.5	62
Oklahoma.....	2,156	32,447	15.05	(⁷)	+7	+8.8	+1.5	85
Region X:								
Louisiana.....	964	13,498	13.72	+6	+1.0	+35.0	+42.2	46
New Mexico.....	213	3,531	16.58	+1.4	+9.8	+0.0	+30.5	50
Region XI:								
Arizona.....	330	8,437	25.57	+3	+9	+13.0	+18.6	80
Colorado.....	640	13,014	20.15	+1.4	+2.6	+4.6	+4.4	60
Idaho.....	285	6,134	21.52	+7	+1.0	-3.4	-6.5	58
Montana.....	160	3,396	20.66	+1.3	+1.6	(⁷)	(⁷)	30
Utah.....	213	5,650	26.53	-1.8	-2	+5.4	+10.1	41
Wyoming.....	154	4,253	27.63	+2.0	+1.1	-2.5	-6.1	66
Region XII:								
California.....	6,796	327,316	48.16	+9	+1.0	+12.0	+12.6	110
Oregon.....	455	11,530	25.34	-2	-2	+4.6	+3.9	44
Washington.....	1,026	31,081	30.29	+1.0	+1.1	+3	-2.3	62
Territory:								
Hawaii.....	71	933	13.14	(⁷)	(⁷)	(⁷)	(⁷)	18

¹ Social Security Board administrative regions.

² From Federal, State, and local funds; excludes cost of administration and of hospitalization and burials.

³ Population as of July 1, 1937, estimated by the U. S. Bureau of the Census.

⁴ Includes aid to the blind administered under State law without Federal participation.

⁵ No change.

⁶ Does not include aid to the blind administered under State law without Federal participation.

⁷ Not computed, because figures too small for comparison.

STATISTICS BY STATES, OCTOBER 1939

Total payments for public assistance and earnings under Federal work programs increased from September to October in 40 States. In Alabama, Colorado, Florida, Kansas, and North Dakota aggregate disbursements rose more than 10.0 percent. Of the 9 States in which smaller amounts

were expended in October, there were but 2 in which the declines exceeded 5.0 percent.

In October there was a general upward movement in expenditures for all types of assistance and earnings except earnings on other Federal work and construction projects, which were lower than in

Table 13.—Amount of public assistance and earnings of persons employed under Federal work programs in the continental United States, by States, October 1939¹

[In thousands]

State	All public assistance and earnings of persons employed under Federal work programs	Obligations incurred for—		Subsistence payments certified by the Farm Security Administration	Earnings of persons employed under Federal work programs					
		Special types of public assistance	General relief		Civilian Conservation Corps	National Youth Administration		Work Projects Administration		Other Federal work and construction projects
						Student aid	Work projects	Projects operated by the WPA	Projects operated by other Federal agencies	
Total.....	\$268,464	\$47,905	\$38,707	\$876	\$19,308	\$2,340	\$4,432	\$98,178	\$3,752	\$52,966
Alabama.....	3,759	253	21	28	519	52	115	1,832	27	919
Arizona.....	1,166	291	36	17	190	11	16	305	54	247
Arkansas.....	2,735	145	18	11	516	31	100	1,462	21	429
California.....	18,000	5,304	3,901	116	668	141	167	4,821	279	2,603
Colorado.....	3,756	1,446	179	30	196	29	41	990	117	728
Connecticut.....	3,456	525	530	(²)	187	15	50	1,071	47	1,081
Delaware.....	373	44	35	(²)	33	2	7	123	8	121
District of Columbia.....	2,531	123	41		59	15	17	478	161	1,636
Florida.....	3,493	534	65	2	286	21	60	1,749	114	962
Georgia.....	3,488	267	31	3	580	55	93	1,796	102	559
Idaho.....	1,077	260	24	3	80	14	26	423	38	267
Illinois.....	18,661	3,074	3,644	5	1,030	136	232	7,965	121	2,454
Indiana.....	6,754	1,663	748	1	415	67	103	2,601	39	1,117
Iowa.....	3,800	1,158	513	2	231	49	50	1,109	18	670
Kansas.....	2,996	644	298	83	273	55	76	1,073	70	425
Kentucky.....	3,810	400	43	7	410	44	108	1,693	90	1,015
Louisiana.....	3,356	572	98	6	412	46	97	1,414	26	694
Maine.....	1,578	341	187	1	135	11	55	304	31	513
Maryland.....	2,551	548	189	1	194	16	46	613	135	810
Massachusetts.....	13,149	2,964	1,796	(²)	629	46	121	4,757	150	2,685
Michigan.....	10,055	1,847	1,470	3	606	90	163	4,640	49	1,188
Minnesota.....	6,549	1,677	988	6	538	56	93	2,340	54	796
Mississippi.....	3,096	153	4	31	422	34	93	1,302	28	1,029
Missouri.....	7,485	1,746	275	11	741	66	151	3,448	41	1,005
Montana.....	2,098	280	62	50	172	15	25	613	63	813
Nebraska.....	2,779	531	109	40	225	32	45	1,124	41	628
Nevada.....	385	63	14		17	2	2	83	7	195
New Hampshire.....	1,327	139	167	1	48	7	19	330	8	608
New Jersey.....	9,330	945	1,359	1	553	45	143	3,795	116	2,373
New Mexico.....	1,070	92	14	39	157	10	40	558	28	132
New York.....	32,149	4,621	9,661	5	1,265	233	428	9,447	209	6,281
North Carolina.....	3,555	495	38	4	506	56	102	1,437	72	845
North Dakota.....	1,330	224	67	34	227	23	45	496	37	177
Ohio.....	15,751	3,283	1,859	4	916	134	173	7,385	85	1,910
Oklahoma.....	4,711	1,468	51	29	621	62	92	1,610	87	691
Oregon.....	2,177	535	137	2	157	15	21	709	39	562
Pennsylvania.....	25,021	3,165	7,775	4	1,234	156	290	8,249	263	3,885
Rhode Island.....	1,858	182	282	(²)	93	9	28	532	27	705
South Carolina.....	2,921	259	20	3	348	25	89	1,417	113	648
South Dakota.....	1,544	273	71	198	207	29	56	536	43	132
Tennessee.....	3,888	586	26	3	514	56	105	1,368	41	1,190
Texas.....	7,388	1,024	92	37	1,019	125	240	3,098	221	1,532
Utah.....	1,419	411	166	4	84	16	22	494	44	178
Vermont.....	489	103	60	(²)	32	7	6	179	24	75
Virginia.....	3,715	192	73	11	452	37	89	845	165	1,830
Washington.....	5,431	1,033	261	2	308	44	57	1,407	131	2,187
West Virginia.....	2,903	374	95	7	329	34	111	1,359	12	583
Wisconsin.....	6,922	1,544	1,094	12	431	61	116	2,652	32	961
Wyoming.....	632	102	18	7	45	4	8	145	26	276

¹ See footnotes to table 6.

² Includes \$333 not distributed by States.

³ Less than \$1,000.

⁴ Estimated.

September in 41 States. The increases exerting the greatest influence on State totals were those which occurred in the amounts earned on projects operated by the Work Projects Administration. Earnings on these projects increased in 45 States, and earnings on WPA-financed projects operated by other Federal agencies rose in 41 States. In all States the total amount earned by enrollees in the Civilian Conservation Corps was larger in October. With the advance of the school year, payments for

student aid by the National Youth Administration increased greatly in nearly all States; earnings on work projects of that agency were higher in two-thirds of the States.

From September to October total payments for the special types of public assistance rose in 39 States, and disbursements for general relief increased in 37 States. Larger amounts of subsistence payments were certified by the Farm Security Administration in 31 States.

Table 14.—Recipients of public assistance and persons employed under Federal work programs in the continental United States, by States, October 1939¹

State	Recipients of special types of public assistance				Cases receiving general relief	Cases for which subsistence payments were certified by the Farm Security Administration	Persons employed under Federal work programs					
	Old-age assistance	Aid to dependent children		Aid to the blind			Civilian Conservation Corps	National Youth Administration		Work Projects Administration		Other Federal work and construction projects
		Families	Children					Student aid	Work projects	Projects operated by the WPA	Projects operated by other Federal agencies	
Total.....	1,894,070	313,761	752,407	60,278	1,633,250	50,438	288,182	354,496	237,788	1,801,656	65,219	2,474,957
Alabama.....	17,737	5,410	15,930	548	2,175	1,642	7,753	8,686	6,639	40,685	659	10,284
Arizona.....	7,651	2,512	6,821	329	2,773	1,709	2,836	1,566	953	4,859	904	2,350
Arkansas.....	17,951	4,040	10,945	643	3,750	407	7,695	5,593	6,022	33,868	717	6,224
California.....	133,717	14,024	34,481	6,735	134,523	6,100	9,967	16,990	8,555	75,034	3,954	19,628
Colorado.....	39,688	4,868	11,885	631	13,817	1,387	2,918	4,519	2,183	17,957	2,088	6,448
Connecticut.....	16,619	1,420	3,310	236	20,077	1	2,790	1,736	2,484	16,816	971	7,142
Delaware.....	2,646	493	1,216	1	1,711	1	498	390	390	2,172	139	1,204
District of Columbia.....	3,321	921	2,704	211	1,600	—	885	1,474	923	7,473	2,083	11,561
Florida.....	36,362	3,840	9,679	2,148	9,553	67	4,206	3,234	3,860	37,075	2,077	7,549
Georgia.....	22,642	3,629	9,725	1,002	6,176	157	8,656	9,210	4,953	41,103	1,937	8,689
Idaho.....	8,451	2,640	6,323	283	1,854	84	1,199	2,060	1,065	7,766	694	1,965
Illinois.....	136,793	7,500	17,000	7,700	169,319	465	15,376	20,629	12,402	143,091	2,031	18,660
Indiana.....	65,502	17,017	34,916	2,451	55,845	95	6,195	10,279	5,716	48,919	718	9,438
Iowa.....	53,122	3,000	7,000	1,431	30,598	51	3,443	6,639	3,112	20,763	336	7,184
Kansas.....	25,357	5,991	13,534	1,147	23,668	5,030	4,070	8,770	4,346	21,214	1,219	4,626
Kentucky.....	45,147	2,240	770	—	5,500	149	6,114	7,712	6,188	38,348	1,730	10,796
Louisiana.....	30,019	11,191	31,858	978	7,703	267	6,154	6,463	5,882	30,884	636	8,083
Maine.....	12,507	1,433	3,661	1,243	9,185	42	2,012	1,511	1,673	5,727	577	5,778
Maryland.....	17,721	7,249	19,619	657	8,467	46	2,889	1,971	2,915	11,204	2,133	7,317
Massachusetts.....	81,130	10,805	27,661	1,164	68,153	4	9,384	6,737	8,957	72,028	3,024	20,133
Michigan.....	79,114	14,054	32,107	758	67,653	166	9,052	13,198	8,937	80,444	850	11,149
Minnesota.....	66,158	8,031	19,484	850	40,315	377	8,029	8,514	4,580	43,279	953	7,937
Mississippi.....	19,862	1,104	1,162	630	966	2,524	6,203	6,547	5,580	32,595	754	15,093
Missouri.....	77,140	10,034	23,517	3,655	23,541	2,450	11,059	10,845	9,282	64,952	731	10,640
Montana.....	12,202	2,153	5,039	108	4,352	2,482	2,561	2,546	1,254	10,341	1,240	6,970
Nebraska.....	27,206	5,092	11,503	648	9,757	3,245	3,352	5,083	2,796	21,895	649	6,927
Nevada.....	2,244	135	330	10	706	—	257	251	164	1,489	113	1,528
New Hampshire.....	4,573	577	1,523	321	7,330	31	713	1,055	890	6,515	122	4,768
New Jersey.....	30,335	10,816	23,748	647	60,800	39	8,252	7,052	7,100	61,943	1,843	18,657
New Mexico.....	3,918	1,721	5,033	210	2,067	2,258	2,348	1,501	1,916	10,082	467	1,721
New York.....	113,301	36,587	72,242	2,715	273,649	141	18,874	32,798	19,048	140,571	3,250	42,519
North Carolina.....	34,650	8,072	20,899	1,941	5,840	152	7,547	7,123	6,167	33,869	1,480	11,428
North Dakota.....	8,586	2,162	6,035	135	4,613	1,909	3,394	4,175	2,445	9,656	655	2,094
Ohio.....	123,708	10,187	28,778	3,931	111,638	388	13,679	19,502	8,318	129,963	1,378	16,462
Oklahoma.....	69,703	17,360	39,828	2,156	14,200	1,034	9,269	10,677	4,707	39,682	1,830	7,098
Oregon.....	20,932	1,882	4,271	456	8,831	74	2,349	2,116	1,071	11,254	598	4,621
Pennsylvania.....	79,916	29,935	69,421	12,525	287,872	182	18,416	26,263	13,082	137,576	4,069	32,095
Rhode Island.....	6,705	1,149	3,090	54	10,900	6	1,386	1,308	1,432	10,665	469	4,955
South Carolina.....	22,255	4,088	12,047	841	2,234	107	5,187	4,183	5,717	32,637	2,000	7,387
South Dakota.....	13,995	1,714	3,978	228	4,805	12,235	3,095	5,669	3,794	11,015	712	1,756
Tennessee.....	38,773	9,785	25,942	1,616	4,200	59	7,668	9,624	7,184	32,485	896	12,675
Texas.....	120,986	115	239	—	12,129	1,432	15,205	17,318	14,397	70,982	4,273	18,919
Utah.....	13,788	3,283	7,878	157	6,595	144	1,249	2,352	1,268	8,504	752	1,808
Vermont.....	5,672	472	1,390	157	2,666	13	484	1,101	362	3,253	442	1,013
Virginia.....	15,641	1,446	4,661	906	9,078	172	6,747	4,816	5,209	19,511	2,898	17,745
Washington.....	39,061	4,776	10,846	1,016	17,967	68	4,597	6,130	2,918	22,993	1,944	14,536
West Virginia.....	17,749	7,338	20,679	819	10,956	130	4,910	6,233	5,478	27,140	230	6,184
Wisconsin.....	48,709	11,764	27,024	1,990	49,955	664	6,438	9,731	5,942	47,744	584	8,504
Wyoming.....	3,255	712	1,765	151	1,168	253	672	617	835	2,637	410	2,737

¹ See footnotes to table 7.

² Includes 2 persons not distributed by States.

³ Estimated.

STATISTICS FOR URBAN AREAS

Public and Private Aid in 116 Urban Areas

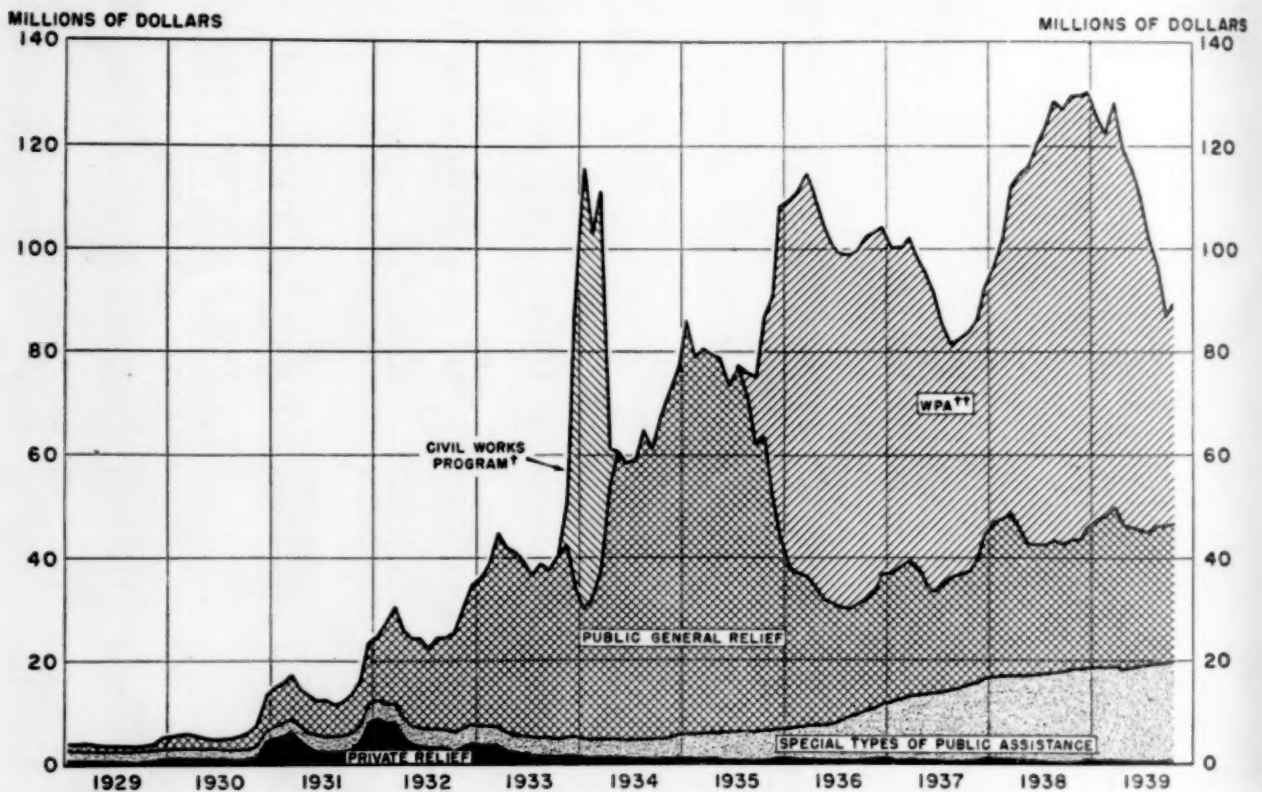
October expenditures in 116 urban areas for payments to recipients of the special types of public assistance, public general relief, and private assistance, and for earnings of persons employed on projects operated by the Work Projects Administration totaled \$89.5 million—3.1 percent more than the sum disbursed in September. The data on expenditures exclude all costs of administering the programs and of materials, equipment, and supplies required for the operation of work projects. Data are not available for the urban areas on earnings of persons employed on WPA-financed projects operated by other Federal agencies or other Federal work and construction projects, earnings under the student-aid and work programs of the National Youth Administration, or earnings of

persons enrolled in the Civilian Conservation Corps.

Total payments for public and private assistance and WPA earnings increased in October after declining in each of the 6 preceding months. The primary factor contributing to the rise in October was a reversal of the downward movement in total earnings on WPA-operated projects. Such earnings amounted to \$42.7 million, or 5.7 percent more than in September. Aggregate expenditures for general relief by public agencies increased 0.9 percent to \$26.9 million. Total obligations incurred for payments to recipients of old-age assistance, aid to dependent children, and aid to the blind amounted to \$19.0 million—0.8 percent above the September level. Assistance disbursed by private agencies also increased slightly.

Of the total sum expended in October, earnings on WPA-operated projects comprised the largest

Chart I.—Public and private assistance and earnings of persons employed on projects operated by the Work Projects Administration and under the Civil Works Program in 116 urban areas, January 1929–October 1939

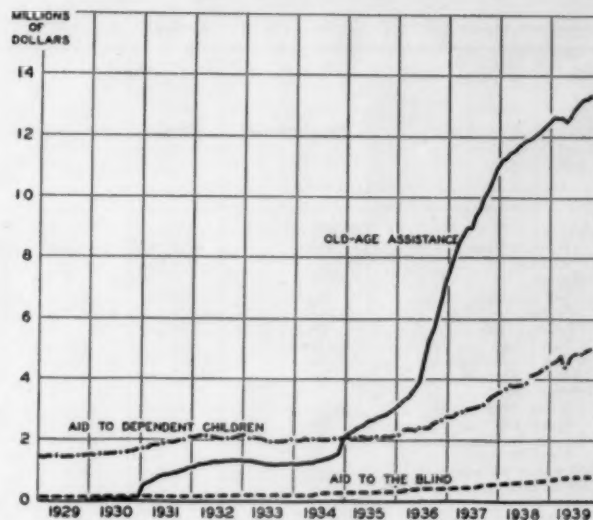


† Earnings of all persons employed under the Civil Works Program, including the administrative staff.
 †† Earnings on projects operated by the Work Projects Administration within the areas.

portion—47.7 percent. General relief payments by public agencies comprised 30.1 percent of the total, and obligations incurred for the special types of public assistance 21.3 percent. Private assistance accounted for a negligible share of aggregate payments.

Since WPA earnings for 11 areas represent the amount earned on projects operated within the county in October 1938 and within the city in October 1939, it is possible to compare total payments for October 1939 with the total a year earlier for only 105 of the 116 urban areas. In these 105 areas total expenditures for public and private assistance and WPA earnings were 30.2 percent lower in October 1939 than in October 1938. This decline was attributable to a marked reduction in aggregate earnings on WPA-operated projects. In October 1939 such earnings amounted to only half as much as in the same month of 1938. On the other hand, obligations incurred for the special types of public assistance totaled 11.0 percent more in October 1939, and general relief ex-

Chart II.—Special types of public assistance in 116 urban areas, January 1929–October 1939



penditures by public agencies were 10.7 percent greater. The volume of private assistance increased 3.0 percent.

Table 1.—Recipients of public and private assistance, amount of assistance, and earnings of persons employed on projects operated by the Work Projects Administration in 116 urban areas, October 1939

[Corrected to Dec. 19, 1939]

Type of agency	Number of cases ¹	Amount ²	Percentage change from—				Percentage distribution of amount		
			September 1939 in—		October 1938 ³ in—		October 1939	September 1939	October 1938 ³
			Number of cases	Amount	Number of cases	Amount			
Total.....	(4)	\$ 89,459,861		+3.1		-30.2	100.0	100.0	100.0
Public agencies.....	(4)	\$ 88,639,257		+3.2		-30.4	99.1	99.1	99.4
Agencies administering:									
General relief ⁷	978,244	26,924,242	-2.7	+9	+13.1	+10.7	30.1	30.8	18.7
Special types of assistance ⁸	696,699	19,025,199	+4	+8	+10.1	+11.0	21.3	21.8	13.5
Old-age assistance.....	553,124	13,292,528	+5	+6	+8.7	+8.8	14.9	15.2	9.6
Aid to dependent children ⁹	120,433	4,992,470	(1)	+1.3	+17.9	+18.2	5.6	5.7	3.3
Aid to the blind ¹⁰	23,142	740,201	+5	+1.1	+6.2	+6.1	.8	.9	.6
Work Projects Administration ¹⁰	(11)	42,689,816	(11)	+5.7	(11)	-50.0	47.7	46.5	67.2
Private agencies ¹¹	(4)	\$ 829,604		+1.4		+3.0	.9	.9	.6
Nonsectarian agencies.....	17,320	337,614	+2.4	+2.7	+3.6	+5.4	.4	.4	.3
Jewish agencies.....	6,150	158,517	+2.2	+5.2	+5.5	+6.8	.2	.2	.1
Catholic agencies.....	9,342	179,194	-.3	+1.8	-6.1	(12)	.2	.2	.1
Salvation Army.....	5,344	28,485	+1	-34.6	+12.6	+1.6	(14)	(14)	(14)
Other private agencies.....	9,342	116,791	+23.0	+5.8	-4.4	-3.6	.1	.1	.1

¹ Incomplete, since some agencies reporting amount of assistance did not report number of cases aided.

² Excludes cost of administration; of materials, equipment, and other items incident to operation of work programs; and of transient care.

³ Based on data for 105 areas. Comparable data are not available for 11 areas because WPA earnings relate to county in October 1938 and to city in October 1939.

⁴ Total number of cases aided by public and/or private agencies cannot be obtained by adding figures shown, since an unknown number of cases received assistance from more than 1 agency.

⁵ Includes estimates amounting to \$127,050.

⁶ Public agencies administered \$913 of private funds while private agencies administered \$10,965 of public funds, so that total amounts contributed from public and private sources, respectively, were \$38,649,309 and \$810,552.

⁷ Includes direct and work relief and statutory aid to veterans administered on basis of need.

⁸ Includes figures for areas in States with plans approved by the Social Security Board and for areas in States not participating under the Social Security Act.

⁹ Decrease less than 0.1 percent.

¹⁰ Figures from the WPA, Division of Statistics; represent earnings of persons employed on projects operated by the WPA within these areas and cover all pay-roll periods ended during month. Figures are not available for earnings of persons employed on projects other than those operated by the WPA.

¹¹ Figures not available.

¹² Includes direct and work relief and aid to veterans.

¹³ Increase less than 0.1 percent.

¹⁴ Less than 0.1 percent.

Table 2.—Amount of public and private assistance and earnings of persons employed on projects operated by the Work Projects Administration, by urban areas, October 1939

[Corrected to Dec. 19, 1939]

State and city	Area included	Total ¹	Public funds						Private funds ²	Percentage change in total from—	
			Total	General relief ³	Old-age assistance	Aid to dependent children ⁴	Aid to the blind ⁵	WPA earnings ⁶		September 1939	October 1938
Alabama:											
Birmingham	County	\$547,283	\$547,065	\$8,317	\$27,950	\$22,181	\$1,063	\$487,554	\$218	+14.5	-21.5
Mobile	do	102,678	102,172	985	8,797	2,216	192	89,982	506	-1.9	-38.2
California:											
Los Angeles	do	5,621,498	5,598,421	* 1,760,734	1,760,528	206,318	155,285	1,715,556	23,077	+2.4	-3.3
Oakland	do	1,223,013	1,219,840	328,146	258,182	49,865	23,443	560,204	3,173	+3.2	-15.4
Sacramento	do	264,902	263,502	47,055	107,294	18,786	7,221	83,146	1,400	+0.2	-4.2
San Diego	do	635,316	634,274	180,318	222,868	27,216	12,124	182,748	* 1,042	+4.5	-6.4
San Francisco	do	1,581,770	1,568,412	469,150	330,066	51,626	24,570	691,000	15,358	+6.4	-22.4
Colorado: Denver	do	719,666	716,932	66,404	350,524	46,383	3,621	250,000	2,734	+14.5	-5.7
Connecticut:											
Bridgeport	City	189,807	187,042	* 53,414	33,152	6,080	527	93,910	* 2,765	-0.7	(9)
Hartford	do	230,357	217,887	* 64,196	53,008	6,652	896	93,135	12,470	-1.1	-45.0
New Britain	do	87,829	87,393	* 13,531	12,491	2,588	143	58,640	436	+1.4	-36.4
New Haven	do	273,131	268,672	* 75,848	51,330	7,907	1,033	132,554	4,459	+9	(9)
Delaware: Wilmington	County	169,370	166,857	33,038	17,290	9,964		106,556	* 2,513	+11.2	-25.0
District of Columbia: Washington	City	657,921	642,163	41,529	82,827	34,779	5,429	477,599	* 15,738	+5.8	-27.3
Florida:											
Jacksonville	County	369,742	368,847	5,716	44,867	8,204	* 2,781	307,279	895	+10.6	-10.6
Miami	do	159,131	153,840	6,305	35,063	10,242	1,899	100,361	5,291	+7.1	-14.0
Georgia: Atlanta	do	419,282	413,065	10,564	16,316	15,431	1,554	369,230	6,187	-14.9	-66.5
Illinois:											
Chicago	do	7,706,905	7,622,527	2,545,281	1,115,618	80,238	73,130	3,808,260	84,378	+5.7	-38.0
Springfield	do	253,457	251,089	39,362	40,794	1,615	4,692	164,626	2,368	+4.1	-8.6
Indiana:											
Evansville	do	329,989	329,387	47,555	41,517	22,231	1,596	216,488	602	+1.4	-19.4
Fort Wayne	do	222,293	220,046	36,463	40,749	21,164	1,370	120,300	2,247	-2.1	-22.2
Indianapolis	do	839,097	829,894	145,434	135,581	73,824	4,440	468,615	9,203	+6.2	-31.7
South Bend	do	261,447	261,171	57,944	38,498	20,288	966	143,475	276	+6	-33.7
Terre Haute	do	265,486	264,509	43,266	52,663	17,860	2,056	148,664	* 977	+2.9	-40.5
Iowa:											
Des Moines	do	471,559	470,475	72,524	87,973	4,046	5,065	300,867	1,084	+13.2	-17.8
Sioux City	do	192,355	191,469	64,122	41,963	4,195	1,650	79,839	886	+7.6	-16.7
Kansas:											
Kansas City	do	236,431	236,027	20,328	25,774	12,532	1,371	176,022	* 404	+15.3	-36.8
Topeka	do	116,532	115,570	9,234	16,495	7,550	965	81,326	982	+20.8	-11.6
Wichita	do	192,041	191,290	59,201	39,074	17,285	1,709	74,021	751	+6.5	-17.7
Kentucky: Louisville	do	246,875	241,771	* 18,223	33,460	7,746		182,342	* * 5,104	-7	-40.5
Louisiana:											
New Orleans	Parish	902,002	890,789	31,592	63,865	83,403	4,715	707,214	* 11,213	+18.0	-28.8
Shreveport	do	51,295	51,039	7,139	13,782	12,739	504	16,875	256	+4.9	+39.9
Maine: Portland	City	84,431	83,421	* 15,942	17,523	4,331	1,257	44,368	1,022	(9)	(9)
Maryland: Baltimore	do	709,131	693,207	174,623	153,298	138,200	9,098	218,048	15,924	+4.2	-15.5
Massachusetts:											
Boston	do	2,206,021	2,130,435	473,725	407,844	219,213	8,188	1,021,465	75,586	-2.2	-30.7
Brockton	do	238,272	234,364	34,715	57,877	7,580	447	133,745	3,908	+22.2	-11.3
Cambridge	do	237,834	235,022	77,102	44,344	16,795	1,018	95,763	2,812	-3.2	-15.4
Fall River	do	312,412	312,294	53,135	56,899	11,907	983	189,379	118	+21.2	-10.7
Lawrence	do	146,547	145,889	21,182	44,802	5,200	505	74,200	658	-1.3	-39.8
Lowell	do	291,740	290,548	70,983	66,362	15,528	794	136,881	1,192	+1.7	-11.5
Lynn	do	287,115	284,375	57,931	75,806	9,356	723	140,559	2,740	+20.7	-5.4
Malden	do	108,016	108,012	39,906	30,361	6,132	275	31,338	4	+9	-11.5
New Bedford	do	319,614	318,177	55,398	78,273	10,546	942	173,048	1,437	+19.2	-10.6
Newton	do	80,653	79,367	29,053	18,275	8,403	122	25,514	1,286	-1.3	-13.1
Springfield	do	314,182	311,437	112,560	78,434	22,469	871	97,103	* 2,745	+2.0	-29.7
Worcester	do	405,393	401,194	137,107	91,021	26,677	786	145,603	4,199	-5.2	-11.4
Michigan:											
Detroit	County	3,374,556	3,357,195	912,185	256,833	377,484	5,919	1,804,774	* 17,361	-9	-43.1
Flint	do	311,858	311,640	54,243	56,438	21,784	536	178,639	218	-21.0	-51.5
Grand Rapids	do	556,819	556,065	49,540	106,127	27,591	1,018	371,789	754	+23.9	-27.0
Pontiac	do	265,346	265,069	42,630	49,788	30,730	665	141,256	277	-5	-47.8
Saginaw	do	173,489	172,199	22,170	30,283	17,546	426	101,774	1,290	+9.7	-27.8
Minnesota:											
Duluth	do	682,392	677,329	208,019	112,457	34,778	2,459	319,616	5,063	+14.3	-18.9
Minneapolis	do	1,296,989	1,289,378	388,379	304,115	52,176	4,866	539,842	7,611	+3.2	-31.4
St. Paul	do	666,721	660,185	220,027	117,980	25,298	2,878	294,002	6,536	+5.7	-37.4
Missouri:											
Kansas City	do	831,668	821,251	* 62,659	165,985	12,386	* 10,675	560,546	* * 10,417	+8.5	-18.5
St. Louis	City and county	1,304,780	1,279,467	118,503	215,499	35,948	* 17,175	892,342	25,313	-4.9	-49.1
Nebraska: Omaha	County	425,931	418,382	9,614	70,884	32,666	2,475	302,743	* 7,549	-7.4	-41.1
New Jersey:											
Jersey City	City	389,439	388,997	106,444	26,348	24,380	1,066	170,759	442	+5.8	(9)
Newark	do	1,050,469	1,053,073	443,037	60,383	61,155	2,321	486,177	3,396	-4.0	(9)
Trenton	do	165,477	163,455	52,810	17,727	13,015	691	79,212	2,022	+1.0	(9)

See footnotes at end of table.

Table 2.—Amount of public and private assistance and earnings of persons employed on projects operated by the Work Projects Administration, by urban areas, October 1939—Continued

[Corrected to Dec. 19, 1939]

State and city	Area included	Total ¹	Public funds						Private funds ²	Percentage change in total from—	
			Total	General relief ³	Old-age assistance	Aid to dependent children ⁴	Aid to the blind ⁵	WPA earnings ⁶		September 1939	October 1939
New York:											
Albany.....	City.....	\$119,539	\$117,696	\$45,364	\$15,730	\$4,528	\$671	\$51,403	\$1,843	-18.5	(⁷)
Buffalo.....	County.....	1,382,365	1,370,155	764,553	97,395	71,353	3,023	433,831	12,210	+3.4	-19.2
New Rochelle.....	City.....	97,758	97,450	65,463	11,216	9,995	29	10,747	308	+7.0	-5.3
New York.....	do.....	16,137,954	15,973,696	6,395,129	1,356,848	1,284,894	39,859	6,996,936	*164,288	+2.7	-29.6
Niagara Falls.....	do.....	94,450	93,740	46,217	9,662	7,568	140	30,159	704	+4.9	(⁷)
Rochester.....	do.....	728,334	726,362	441,466	118,699	44,410	2,441	119,376	1,972	+10.3	(⁷)
Syracuse.....	County.....	507,395	503,800	249,923	74,005	23,482	1,066	155,324	3,595	+12.1	-14.4
Utica.....	City.....	166,949	164,576	66,681	35,525	13,769	398	48,203	2,373	+10.0	(⁷)
Yonkers.....	do.....	254,742	253,513	136,506	20,714	20,098	396	75,799	1,229	+12.3	-25.1
North Carolina:											
Asheville.....	County.....	122,103	122,103	3,842	12,527	4,513	906	100,315	-----	+8.5	-22.1
Charlotte.....	do.....	88,041	87,555	5,332	17,500	6,301	1,410	57,012	486	+2.7	-8.8
Greensboro.....	do.....	85,701	85,522	1,994	16,273	6,612	1,356	59,287	179	+6.2	-13.2
Winston-Salem.....	do.....	112,736	107,218	7,840	13,977	5,426	926	79,047	5,518	+9.3	-2.3
Ohio:											
Akron.....	do.....	844,826	842,164	156,961	81,010	9,594	1,795	692,804	2,662	+2.4	-43.4
Canton.....	do.....	369,610	369,524	56,230	86,197	12,969	1,961	212,167	86	-3.2	-46.2
Cincinnati.....	do.....	999,700	995,132	231,547	198,233	30,989	5,358	518,985	14,568	-3.5	-38.6
Cleveland.....	do.....	3,099,978	3,059,882	753,099	240,339	108,829	8,226	1,949,389	40,096	+1.2	-48.6
Columbus.....	do.....	748,422	747,228	135,675	166,725	15,779	6,110	422,939	1,194	+3.1	-30.8
Dayton.....	do.....	530,113	518,301	123,305	122,678	13,050	2,550	266,718	1,812	+1.0	-37.0
Springfield.....	do.....	150,116	150,116	7,302	57,008	4,008	1,363	80,435	-----	+5.4	-43.2
Toledo.....	do.....	813,469	812,901	52,150	130,373	14,928	4,373	611,077	568	-5.7	-54.2
Youngstown.....	do.....	341,457	340,587	59,916	53,789	10,340	3,331	213,211	870	-1	-55.1
Oklahoma: Tulsa.....	do.....	214,255	205,945	10,451	83,976	16,487	2,508	92,523	8,310	+6.6	-22.4
Oregon: Portland.....	do.....	562,142	560,474	78,022	173,589	22,580	5,092	281,191	1,068	+7.9	-25.0
Pennsylvania:											
Allentown.....	do.....	173,125	172,251	52,394	20,545	9,231	5,481	84,600	874	-4.2	-53.2
Altoona.....	do.....	350,342	350,277	96,773	30,371	18,005	6,358	198,770	65	+24.9	-16.7
Bethlehem.....	do.....	196,011	195,113	47,261	20,932	11,226	5,667	110,027	898	-3.1	-48.1
Chester.....	do.....	235,901	234,342	60,954	31,260	16,325	7,129	118,674	*1,559	-2.5	-40.9
Erie.....	do.....	317,191	317,151	107,671	44,900	17,294	8,056	139,140	40	-5	-38.3
Johnstown.....	do.....	524,479	524,280	123,985	36,296	30,413	7,386	326,209	190	+12.0	-15.5
Philadelphia.....	do.....	3,965,123	3,922,957	2,235,581	356,711	332,728	71,326	926,611	*42,166	+1.5	-14.5
Pittsburgh.....	do.....	3,440,759	3,419,677	1,401,157	230,288	163,178	37,837	1,582,217	*21,082	+7.3	-24.5
Reading.....	do.....	325,275	323,891	122,544	36,285	11,356	9,148	144,558	*1,384	+2.7	-35.7
Seranton.....	do.....	690,332	686,706	451,759	62,031	38,830	10,928	133,158	*3,626	-18.9	-49.9
Wilkes-Barre.....	do.....	1,100,538	1,099,131	612,454	54,073	45,041	13,918	373,645	1,407	+4	-40.0
Rhode Island: Providence.....	City.....	374,349	368,629	142,086	57,960	19,876	418	148,289	*5,720	-5.3	(⁷)
South Carolina: Charleston.....	County.....	141,355	141,094	2,655	11,901	5,513	695	120,330	261	-2.1	-38.3
Tennessee:											
Knoxville.....	do.....	138,416	137,843	4,426	17,909	15,446	737	99,325	573	+31.4	-23.7
Memphis.....	do.....	334,468	331,363	20,390	51,784	19,002	3,113	237,074	3,105	+5	+24.2
Nashville.....	do.....	212,128	210,826	1,580	40,857	16,877	2,341	149,171	1,302	+11.9	+1.4
Texas:											
Dallas.....	do.....	257,591	253,594	8,096	59,948	811	-----	184,730	3,997	-14.0	-29.3
El Paso.....	do.....	72,782	72,407	125	8,675	-----	-----	63,607	375	-3.5	-21.0
Fort Worth.....	do.....	276,308	275,930	17,752	47,552	-----	-----	210,626	378	-9.0	-7.2
Houston.....	do.....	285,761	282,038	21,000	51,767	-----	-----	209,211	3,723	-2	-10.5
San Antonio.....	do.....	276,964	272,060	46,639	46,639	-----	-----	225,421	4,904	+2.6	-16.0
Utah: Salt Lake City.....	do.....	453,008	450,968	116,880	99,968	44,157	1,502	188,461	*12,040	+16.6	+7.1
Virginia:											
Norfolk.....	City.....	76,626	75,656	6,411	9,429	1,551	798	57,467	970	+6.4	-4.9
Richmond.....	do.....	145,875	139,840	21,763	11,259	1,489	919	104,410	6,035	+16.9	-2.3
Roanoke.....	do.....	22,918	22,918	1,828	4,025	833	337	15,895	-----	+11.6	-22.7
Washington:											
Seattle.....	County.....	745,505	740,686	151,788	235,544	31,206	7,963	314,185	*4,819	+1	-30.2
Tacoma.....	do.....	387,514	387,514	35,683	101,026	17,630	2,707	230,468	-----	+2.5	-34.1
West Virginia: Huntington.....	do.....	133,512	132,758	4,007	9,834	5,241	636	113,040	754	-1.9	-43.4
Wisconsin:											
Kenosha.....	do.....	173,171	172,832	*48,718	24,878	17,925	1,432	79,879	339	+9.5	-44.3
Madison.....	do.....	238,507	238,172	29,498	47,357	24,050	988	136,279	335	+5.4	-19.5
Milwaukee.....	do.....	1,890,472	1,850,665	556,231	206,820	108,744	9,091	969,779	9,807	+9.7	-29.4
Racine.....	do.....	187,613	187,221	60,306	27,611	18,610	903	79,791	392	+6.8	-30.7

¹ Excludes cost of administration; of materials, equipment, and other items incident to operation of work programs; and of transient care.

² Includes direct and work relief and statutory aid to veterans administered on basis of need.

³ Includes figures for areas in States with plans approved by the Social Security Board and for areas in States not participating under the Social Security Act.

⁴ Figures from the WPA, Division of Statistics; represent earnings of persons employed on projects operated by the WPA within these areas and cover all pay-roll periods ended during month. Figures are not available for these

areas for earnings of persons employed on projects other than those operated by the WPA.

⁵ Includes direct and work relief and aid to veterans.

⁶ Includes estimate.

⁷ Estimated.

⁸ Comparable data not available because WPA earnings relate to county in October 1938 and to city in October 1939.

⁹ Relates to city.

¹⁰ Increase less than 0.1 percent.

¹¹ Incomplete, since figures are not obtainable for 1 relief program.

General Relief Operations of Public Agencies in Selected Large Cities, November 1939

Reports on general relief operations during November were received from the 18 cities with populations of more than 400,000 in 1930 and from Rochester, New York, which is slightly smaller.

Cases Aided and Amount of Relief

During November more than 613,000 cases were aided in these 19 cities, with an expenditure from general relief funds of approximately \$19.3 million. Five percent fewer cases were aided than in October, and the amount of obligations incurred for this assistance decreased less than 1 percent.

In 11 cities changes in the number of cases receiving relief amounted to no more than 2 percent. Cincinnati, Cleveland, Newark, New York, Philadelphia, and Pittsburgh aided 5 to 12 percent fewer cases than in the previous month. Increases occurred in 4 cities, with the largest increase of 6 percent in the District of Columbia.

Reports for 16 of the 19 cities show no substantial change between October and November in expenditures for relief. Increases in 9 of the cities and decreases in 7 amounted to no more than 7 percent. In Chicago, however, there was an

increase of 23 percent in the amount of relief, and in Pittsburgh and Cleveland there were decreases of 13 and 28 percent, respectively.

The rise in expenditures in Chicago is accounted for at least in part by the fact that November relief grants covered 80 percent of the standard budget and October grants only 65 percent. Shortage of funds in the latter part of November is the explanation for the substantial decline in expenditures in Cleveland. In this city grocery orders are issued to clients by alphabetical groups on a stagger basis. For the 14-day grocery orders due on November 14 to cases in the O, P, Q, and R alphabetical groups, 5-day grocery orders were substituted, and clients were required to make their needs known before the next 5-day orders were issued. On November 24 relief was discontinued to single-person and childless-couple cases with at least one employable member. A WPA drive to put to work on projects employable men and women from the eligible family cases effected a decrease in the number of family cases receiving relief.

Average amounts of relief per family case and per single-person case were computed from data available for 15 cities. These averages do not necessarily reflect the adequacy of relief in the various cities, since many factors affecting their compar-

Table 3.—Number of cases receiving general relief, amount of relief, and average amount per family and single-person case in selected cities, November 1939

City	Number of cases receiving relief	Amount of relief ¹	Average amount		Percentage change from October 1939 in—	
			Per family case	Per single-person case	Number of cases	Amount of relief
Baltimore.....	6,924	\$171,057	(7)	(7)	+0.4	+1.4
Boston.....	17,222	448,410	\$31.10	\$17.78	-1.6	+5.1
Buffalo.....	18,323	699,034	44.02	20.28	-1.2	+6.6
Chicago.....	97,804	2,832,522	(7)	(7)	-1.8	+22.7
Cincinnati.....	8,507	198,984	25.89	17.61	-5.4	-1
Cleveland.....	25,315	452,416	23.19	11.61	-9.8	-28.2
Detroit.....	22,949	824,072	37.63	28.25	+4.7	+2.1
District of Columbia ²	1,694	43,627	30.87	19.25	+5.9	+6.1
Los Angeles ³	56,027	1,798,467	40.84	17.17	-1	+2.2
Milwaukee ⁴	22,787	905,078	33.41	12.00	-1.9	+3.7
Minneapolis.....	13,217	357,281	31.99	18.31	-2.0	+3
Newark.....	12,881	399,635	36.17	21.13	-7.2	-5.1
New Orleans ⁵	1,739	31,587	23.73	15.19	(7)	(10)
New York.....	157,875	6,081,888	44.95	27.42	-7.1	-4.9
Philadelphia.....	71,339	2,166,674	(7)	(7)	-8.6	-2.9
Pittsburgh ⁶	46,645	1,221,498	(7)	(7)	-12.4	-12.1
Rochester.....	9,418	402,155	48.72	18.57	+5	-7
St. Louis.....	6,101	114,696	25.50	8.80	-6	+4.4
San Francisco ⁷	16,504	464,385	42.29	19.86	-1.5	-1.9

¹ Excludes cost of administration; of materials, equipment, and other items incident to operation of work programs; and of special programs, hospitalization, and burials.

² Not available.

³ Based on data estimated by city.

⁴ Includes cases receiving aid from special departments: Transportation Service, 573 cases, \$12,239; Children's and Minors' Service, 2,387 cases, \$56,903; Nursing Home Service, number of cases not available, \$1,370; and Shelter Division, 1,617 cases, \$14,088.

⁵ Accepts only unemployable cases.

⁶ Includes figures for entire county in which city is located.

⁷ Figures represent combined reports of 2 agencies—1 administering relief to employable cases and 1 relief to unemployable cases.

⁸ Includes \$21,629 which covered cost of operating a commissary.

⁹ No change.

¹⁰ Decrease of less than 0.1 percent.

¹¹ Includes duplications, since in some cases relief was granted more than once during month.

Table 4.—General relief cases in households receiving other types of income or assistance in selected cities, November 1939

City	Number of cases receiving relief	Percent of general relief cases in households receiving 1—				
		Unemployment benefits	Earnings from regular employment	WPA earnings	Old-age assistance	Aid to dependent children
Baltimore	6,924	0.6	0.6	—	1.7	34.0
Buffalo	18,323	.4	9.2	9.7	2.6	1.2
Chicago	97,804	(²)	(²)	.4	2.4	.2
Cincinnati	8,507	.3	4.2	1.1	2.7	.5
Cleveland	25,315	.2	4.3	6.9	.3	(³)
Detroit	22,949	.6	7.3	6.1	2.7	—
District of Columbia	1,694	(²)	(²)	3.9	5.0	.1
Los Angeles	51,699	(²)	(²)	16.3	(³)	(³)
Milwaukee	22,787	.4	5.1	16.3	1.7	.2
Minneapolis	13,217	.1	2.3	15.7	5.3	4.3
Newark	12,881	1.0	22.2	3.5	—	—
New Orleans	1,739	—	—	3.0	1.4	.7
New York	157,875	.3	4.8	4.9	2.9	1.7
Philadelphia	71,339	.4	(²)	2.0	(³)	(³)
Pittsburgh	46,645	.6	(²)	4.3	(³)	(³)
Rochester	9,418	.6	12.7	7.4	5.2	2.6
San Francisco	15,170	(²)	(²)	3.5	(³)	(³)

¹ Figures on number of general relief cases which also received aid to the blind are available for 9 cities. Such cases amount to 0.6 percent of cases receiving relief in the District of Columbia; 0.2 percent in Cincinnati, New York, and Rochester; 0.1 percent in Baltimore, Buffalo, Milwaukee, and New Orleans; and less than 0.1 percent in Cleveland.

² Not available.

³ Less than 0.1 percent.

⁴ Accepts only unemployable cases.

⁵ Includes figures for entire county in which city is located.

⁶ Figures represent combined reports of 2 agencies—1 administering relief to employable cases and 1 relief to unemployable cases.

⁷ Cases open on last day of month.

⁸ Based on cases open on last day of month.

ability must be taken into consideration. The largest average monthly amount per family case was \$48.72 in Rochester, and the smallest, \$23.19 in Cleveland. Average amounts were less than \$30 also in Cincinnati, New Orleans, and St. Louis. The highest average amount of relief per single-person case was \$28.25 in Detroit, and the smallest, \$8.89 in St. Louis, with averages of less than \$15 only in Cleveland, Milwaukee, and St. Louis.

General Relief in Addition to Other Types of Income

Table 4 presents available data on the number of general relief cases in households with other specified types of income. General relief supplemented unemployment benefits in less than 1 percent of the cases in all the cities except Newark. Twenty-two percent of the cases in Newark and 13 percent in Rochester received general relief in addition to earnings from regular employment, but in the other cities less than 10 percent of the case load was made up of such cases. WPA earnings were also received in 16 percent of the

general relief cases in Milwaukee and Minneapolis. Cases in which aid to dependent children is supplemented comprised 34 percent of the case load in Baltimore, where there is a legal limitation on the amount which may be granted to a family for aid to dependent children.

Case Turn-Over

In 14 cities fewer cases were opened in November than in October. The decreases amounted to 48 percent in Newark, 53 percent in Cleveland, and 54 percent in New York. After November 14, because of a shortage of funds, Cleveland accepted only cases considered emergent. Detroit opened more than twice as many cases as in October.

In 12 cities fewer cases were closed in November than in the previous month. The decrease of 50 percent in the number of closings in Newark was exceeded only by the percentage decrease in New Orleans where the number of closings was small. Approximately 20 percent more cases were closed than in October in Boston and Minneapolis, and 72 percent more in Cleveland. The increase in closings in Cleveland does not reflect the shortage of funds, since the closings reported for November were cases in which relief had been discontinued

Table 5.—Reasons for opening general relief cases in selected cities, November 1939

City	Number of cases opened	Accession rate ¹	Percent opened for specified reason			
			Cessation of unemployment benefits	Loss of regular employment	Loss of WPA employment	All other reasons
Baltimore	1,040	16.2	0.3	12.7	18.9	68.1
Boston	2,076	14.0	.7	33.7	36.0	29.6
Buffalo	1,356	7.5	1.8	35.4	20.1	39.7
Chicago	5,404	5.3	5.2	16.9	54.7	23.2
Cincinnati	1,175	12.5	1.7	15.2	36.0	47.1
Cleveland	1,176	4.2	1.4	14.0	46.3	38.3
Detroit	7,336	37.6	2.6	54.7	12.2	30.5
District of Columbia	7,365	19.8	—	—	—	100.0
Los Angeles	8,505	16.8	(²)	(²)	10.0	(³)
Milwaukee	3,702	19.0	.5	15.4	19.3	61.8
Minneapolis	1,642	(²)	1.9	40.4	24.4	33.3
Newark	1,019	8.2	1.5	25.9	26.0	46.6
New Orleans	36	2.1	—	—	—	100.0
New York	11,274	7.6	3.2	20.4	42.1	34.3
Philadelphia	3,568	5.3	6.1	39.4	19.2	35.3
Pittsburgh	2,760	6.4	6.3	30.5	35.5	27.7
Rochester	656	6.9	3.1	44.5	11.4	41.0
St. Louis	395	6.6	—	1.3	1.5	97.2
San Francisco	3,820	25.8	(²)	(²)	16.4	(³)

¹ Cases opened as a percent of average number of cases open at beginning and end of month.

² Includes cases opened because of decreased earnings.

³ Accepts only unemployable cases.

⁴ Includes figures for entire county in which city is located.

⁵ Figures represent combined reports of 2 agencies—1 administering relief to employable cases and 1 relief to unemployable cases.

⁶ Not available.

in the previous month. In this city cases are not formally closed in the same month in which relief is discontinued.

Accession and separation rates for November are shown in tables 5 and 6. These rates represent the number of openings and the number of closings as percentages of the average number of cases open at the beginning and end of the month.

The highest turn-over was shown by figures for Detroit, with an accession rate of 38 and a separation rate of 30. The lowest turn-over was in New Orleans, in which both the accession and the separation rates were approximately 2.

Effect of WPA Employment on Case Load

More cases were closed by placement on WPA projects than were opened on loss of such employment in every city except Buffalo. Accession rates because of loss of WPA employment were as high as 5 only in Boston, but separation rates were 21 in Detroit and between 9 and 12 in Boston, Cleveland, Pittsburgh, and San Francisco.

Between 35 and 55 percent of the openings in Boston, Chicago, Cincinnati, Cleveland, New York, and Pittsburgh were attributed to loss of WPA employment. Transferral to WPA employment was responsible for more than 50 percent of the closings in Boston, Cleveland, Detroit, Los Angeles, Minneapolis, New York, Pittsburgh, and

San Francisco, and for more than 30 percent of the closings in all cities accepting employable cases except in Buffalo, Milwaukee, and St. Louis.

Effect of Regular Employment on Case Load

The accession rate for openings because of loss of employment other than on work projects was 21 in Detroit but below 5 in other cities for which reports were available. Separation rates were as high as 6 only in Pittsburgh. In 5 cities more cases were opened on loss of regular employment than were closed because such employment was obtained.

Twenty-six to 55 percent of openings in November were attributed to loss of regular employment in Boston, Buffalo, Detroit, Minneapolis, Newark, Philadelphia, Pittsburgh, and Rochester. Obtainment of such employment accounted for 25 to 46 percent of the closings in Buffalo, Cleveland, Newark, Philadelphia, Pittsburgh, and Rochester.

Effect of Unemployment Benefits on Case Load

Turn-over because of openings and closings on cessation or receipt of unemployment benefits effected slight changes in case loads. In 8 of 15 cities accepting employable cases, closings on receipt of unemployment benefits exceeded openings on cessation of such benefits, but the consequent net decreases were negligible.

Table 6.—Reasons for closing general relief cases in selected cities, November 1939

City	Number of cases closed	Separation rate ¹	Percent closed for specified reason						
			Transferral to—			Relief no longer needed			All other reasons
			WPA	Special types of public assistance	Other relief status	Unemployment benefits received	Regular employment obtained	Increased earnings or income	
Baltimore.....	717	11.2	43.8	2.5	0.4	0.6	9.3	2.7	40.7
Boston.....	2,812	19.0	60.7	4.3	(²)	.9	29.9	(²)	(²)
Buffalo.....	1,477	8.1	18.1	1.6	2.8	1.2	45.6	26.2	4.4
Chicago.....	7,957	7.9	46.4	2.4	.2	2.2	18.4	4.9	25.5
Cincinnati.....	1,624	17.2	45.1	1.9	1.3	.5	12.5	4.5	34.2
Cleveland.....	4,291	15.3	59.6	1.2	.9	.8	25.1	.2	12.2
Detroit.....	5,912	30.3	68.3	.5	.1	1.5	12.3	7.6	9.7
District of Columbia ³	188	10.2	19.2	14.4	.5	.5	8.5	11.2	45.7
Los Angeles ⁴	6,655	13.1	52.2	.6	1.4	2.3	18.0	1.8	23.7
Milwaukee ⁵	4,104	21.0	29.7	1.1	1.6	.6	17.9	2.7	46.4
Minneapolis.....	1,906	(²)	54.7	1.8	.2	2.3	20.2	8.3	12.5
Newark.....	1,323	10.7	41.4	(²)	(²)	1.2	25.5	(²)	(²)
New Orleans ⁶	26	1.5	7.7	26.9	3.8	-----	7.7	-----	53.9
New York.....	13,253	8.9	60.9	3.3	2.1	1.1	14.6	6.8	11.2
Philadelphia.....	7,356	10.8	33.8	4.9	(²)	3.5	31.9	8.9	(²)
Pittsburgh ⁷	8,924	20.8	52.3	3.3	(²)	1.8	28.7	4.1	(²)
Rochester.....	818	8.6	33.1	2.7	2.7	1.3	39.9	11.7	8.6
St. Louis.....	380	6.3	20.3	10.8	1.1	.5	17.6	3.4	46.3
San Francisco ⁸	3,105	21.0	56.9	3.4	3.8	2.1	11.4	1.4	21.0

¹ Cases closed as a percent of average number of cases open at beginning and end of month.

² Includes cases transferred to the NYA and CCC.

³ Not available.

⁴ Accepts only unemployable cases.

⁵ Includes figures for entire county in which city is located.

⁶ Figures represent combined reports of 2 agencies—1 administering relief to employable cases and 1 relief to unemployable cases.

⁷ Includes cases transferred to the NYA.

OLD-AGE AND SURVIVORS INSURANCE

BUREAU OF OLD-AGE AND SURVIVORS INSURANCE • ANALYSIS DIVISION

Applicants for Account Numbers

The distribution of applicants for account numbers by age, sex, and color for the second and third quarters of the calendar year 1939 is given in table 1. This table brings up to date the information available on applications for account numbers for the United States including Alaska and Hawaii. State figures are available upon request to the Analysis Division of the Bureau of Old-Age and Survivors Insurance.

Wage Records

As of November 25, a total of 29,452,412 wage items for the second quarter of 1939 and 9,461,695 items for the third quarter of 1939 had been received in Baltimore, making a total for the year of 67,694,181 items, of which 53,756,700 wage items or approximately 79.4 percent of the total 1939 receipts had been collated.

Since August 1939, statements of wages recorded in 1938 in individual accounts have been sent upon request to wage earners covered by the Act. Through November 85,222 such original requests had been received, in contrast to 42,595 requests received through November 1938 for reports of 1937 earnings. In reply to the 1939 requests, 84,705 statements have been forwarded.

Claims for Lump-Sum Payments

Claims activities in the Bureau during the month were concerned solely with claims for lump-sum payments at death. As of November 30, a cumulative total of 266,708 such claims had been received and 256,401 certified. During November, 9,016 claims were received and 9,422 certified; 9,059 were received and 8,613 certified in October.

The average lump-sum payment certified in November was \$94.55 as compared with \$93.59

Table 1.—Distribution of applicants for account numbers in the United States¹ by age, sex, and color, April-June and July-September 1939

Age group (years)	Number of applicants, April-June 1939									Number of applicants, July-September 1939								
	Total ²	Male				Female				Total ²	Male				Female			
		Total	White	Negro	Other	Total	White	Negro	Other		Total	White	Negro	Other	Total	White	Negro	Other
Total	1,185,220	727,969	624,511	94,437	8,021	457,261	406,070	49,040	2,141	1,256,340	734,360	624,103	103,378	6,879	521,980	460,295	58,391	3,294
Under 15	8,263	7,085	5,969	1,051	65	1,178	1,040	104	34	14,002	11,809	10,036	1,722	111	2,133	1,887	203	43
15-19	397,855	243,101	219,629	22,365	1,107	154,754	147,212	6,978	564	506,825	302,232	270,930	29,485	1,817	204,593	192,239	10,924	1,430
20-24	230,519	143,371	119,771	22,349	1,251	87,148	75,988	10,616	544	221,435	130,473	105,493	23,844	1,140	90,962	77,642	12,664	656
25-29	123,979	69,701	55,571	12,771	1,359	54,278	44,958	9,015	305	120,431	63,360	48,735	13,694	931	57,071	46,765	9,981	335
30-34	93,593	51,601	41,953	8,514	1,132	41,992	35,304	6,509	179	90,493	46,565	36,919	8,917	729	43,926	35,549	7,122	217
35-39	81,776	45,453	36,791	7,672	690	36,323	30,291	5,840	192	77,407	39,388	31,154	7,553	681	38,019	31,391	6,407	221
40-44	66,547	39,289	33,115	5,965	609	27,238	23,355	3,775	128	60,927	32,742	27,217	5,100	425	28,185	23,914	4,105	166
45-49	56,810	35,845	30,987	4,423	455	20,965	18,355	2,517	93	52,010	29,775	25,222	4,214	339	22,235	19,209	2,925	101
50-54	45,902	31,275	27,517	3,389	369	14,627	12,902	1,689	36	41,067	25,565	22,243	3,086	256	15,522	13,638	1,824	60
55-59	35,403	25,539	22,601	2,612	326	9,864	8,506	1,035	23	30,901	20,681	18,173	2,301	207	10,220	9,039	1,151	30
60-64	23,114	17,774	16,080	1,503	191	5,340	4,868	444	28	20,017	14,692	13,280	1,297	115	5,325	4,823	402	10
65 and over	20,179	16,937	15,333	1,489	115	3,242	2,882	353	7	19,438	15,993	14,474	1,435	84	3,445	3,088	344	13
Unknown	1,280	998	222	734	42	282	109	165	8	1,367	1,025	237	760	38	342	121	209	12
Percentage distribution																		
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 15	0.7	1.0	1.0	1.1	0.8	0.2	0.3	0.2	1.6	1.1	1.6	1.6	1.7	1.6	0.4	0.4	0.3	1.3
15-19	33.6	33.4	35.1	23.7	13.8	33.8	36.2	14.2	26.3	40.3	41.2	43.4	28.5	26.4	39.2	41.8	18.7	43.4
20-24	19.4	19.7	19.1	23.6	15.6	19.1	18.7	21.7	25.4	17.6	17.8	16.9	23.1	16.7	17.4	16.9	21.7	19.9
25-29	10.5	9.6	8.9	13.5	17.0	11.9	11.1	18.4	14.2	9.6	8.6	7.8	13.2	13.5	10.9	10.1	17.1	10.2
30-34	7.9	7.1	6.7	9.0	14.1	9.2	8.7	13.3	8.4	7.2	6.3	5.9	8.6	10.6	8.4	7.9	12.3	6.6
35-39	6.9	6.2	5.9	8.1	12.3	7.9	7.5	11.9	9.0	6.2	5.4	5.0	7.3	9.9	7.3	6.8	11.0	6.7
40-44	5.6	5.4	5.2	5.9	7.6	6.0	5.7	7.7	6.0	4.9	4.5	4.4	4.9	6.2	5.4	5.2	7.0	5.0
45-49	4.8	4.9	4.9	4.7	5.8	4.6	4.5	5.1	4.3	4.1	4.0	4.1	4.1	4.9	4.2	4.2	5.0	3.1
50-54	3.9	4.3	4.4	3.6	4.6	3.2	3.2	3.5	1.7	3.3	3.5	3.6	3.0	3.7	3.0	3.0	3.1	1.8
55-59	3.0	3.5	3.6	2.8	4.1	2.1	2.2	2.1	1.1	2.5	2.8	2.9	2.2	3.0	1.9	2.0	2.6	.9
60-64	1.9	2.5	2.6	1.6	2.4	1.2	1.2	.9	1.3	1.6	2.0	2.1	1.3	1.7	1.0	1.0	.8	.3
65 and over	1.7	2.3	2.5	1.6	1.4	.7	.7	.7	.3	1.5	2.2	2.3	1.4	1.2	.7	.7	.6	.4
Unknown	.1	.1	.1	.8	.5	.3	.3	.3	.4	.1	.1	.1	.7	.6	.1	.1	.4	.4

¹ Includes Alaska and Hawaii.

² Does not include 325 applicants whose color and/or sex are unknown.

² Does not include 89 applicants whose color and/or sex are unknown.

Table 2.—Claims for lump-sum payments at death: Number received in Washington, and number and amount certified by the Social Security Board to the Secretary of the Treasury, by regions and States, November 1939¹

Region ² and State	Number of claims		Amount certified	
	Received	Certified	Total	Average
Cumulative through November 1939.....	266,708	256,401	\$15,064,739	\$58.75
Total for November 1939.....	9,016	9,422	\$90,838	\$94.55
Region I:				
Connecticut.....	151	149	15,376	103.19
Maine.....	58	59	5,138	87.09
Massachusetts.....	344	397	41,489	104.51
New Hampshire.....	32	40	3,241	81.02
Rhode Island.....	91	94	9,462	100.66
Vermont.....	32	40	3,274	81.85
Region II:				
New York.....	1,117	1,051	124,018	118.00
Region III:				
Delaware.....	16	17	2,231	131.27
New Jersey.....	388	395	45,322	114.74
Pennsylvania.....	865	864	92,263	106.79
Region IV:				
District of Columbia.....	58	47	4,146	88.22
Maryland.....	137	152	15,685	103.19
North Carolina.....	220	216	13,578	62.86
Virginia.....	130	192	14,332	74.65
West Virginia.....	170	147	13,419	91.29
Region V:				
Kentucky.....	182	165	12,488	75.68
Michigan.....	358	385	41,507	107.81
Ohio.....	570	564	60,172	106.69
Region VI:				
Illinois.....	636	706	72,034	102.03
Indiana.....	190	207	16,977	82.02
Wisconsin.....	161	153	16,152	105.57
Region VII:				
Alabama.....	149	172	10,448	69.74
Florida.....	146	131	8,927	68.14
Georgia.....	206	220	10,183	46.29
Mississippi.....	84	82	3,066	37.39
South Carolina.....	144	183	6,336	38.87
Tennessee.....	164	190	9,973	62.33
Region VIII:				
Iowa.....	119	115	9,849	83.65
Minnesota.....	132	156	14,810	94.93
Nebraska.....	43	42	4,271	101.70
North Dakota.....	19	22	1,975	89.78
South Dakota.....	15	15	1,162	77.46
Region IX:				
Arkansas.....	86	85	4,890	57.53
Kansas.....	75	80	6,688	83.61
Missouri.....	254	242	21,350	88.22
Oklahoma.....	81	102	9,252	90.70
Region X:				
Louisiana.....	118	140	10,216	72.97
New Mexico.....	20	26	1,690	64.99
Texas.....	341	385	29,166	75.75
Region XI:				
Arizona.....	34	39	2,520	64.62
Colorado.....	66	71	6,452	90.87
Idaho.....	36	33	2,914	88.31
Montana.....	32	43	4,266	99.22
Utah.....	33	37	2,937	79.37
Wyoming.....	12	20	1,358	67.91
Region XII:				
California.....	425	525	58,334	111.11
Nevada.....	9	8	867	108.37
Oregon.....	88	98	8,665	88.42
Washington.....	148	129	11,708	90.76
Territories:				
Alaska.....	7	5	374	74.84
Hawaii.....	18	23	2,348	102.10
Foreign ³	9	13	1,539	118.37

¹ All claims received to date have been for lump-sum payments amounting to 3/4 percent of total taxable wages. Lump-sum payments at age 65 were discontinued as of Aug. 10, 1939, by amendment of that date to the Social Security Act.

² Social Security Board administrative regions.

³ Claims received from persons in foreign countries.

Source: Bureau of Old-Age and Survivors Insurance, Administrative Division.

in October. Average payments in individual States ranged from \$37.39 for 82 claims in Mississippi to \$131.27 for 17 claims in Delaware.

Table 3.—Employee accounts established in Baltimore, by regions and States in which account numbers were issued, November 1939¹

Region ² and State	Employee accounts established		
	November		Cumulative through November ³
	Total	Net ²	
Total.....	536,712	513,260	47,256,635
Region I:			
Connecticut.....	7,906	7,721	739,528
Maine.....	2,995	2,882	316,118
Massachusetts.....	15,432	14,965	1,843,023
New Hampshire.....	1,516	1,455	200,262
Rhode Island.....	3,513	3,463	327,704
Vermont.....	1,251	1,202	111,924
Region II:			
New York.....	59,682	58,683	6,202,635
Region III:			
Delaware.....	1,025	1,022	106,274
New Jersey.....	19,208	18,157	1,725,067
Pennsylvania.....	37,806	37,773	3,882,614
Region IV:			
District of Columbia.....	2,912	2,360	301,138
Maryland.....	7,357	6,191	665,094
North Carolina.....	12,212	9,361	994,804
Virginia.....	8,393	6,906	765,704
West Virginia.....	4,744	3,794	610,290
Region V:			
Kentucky.....	8,683	8,369	750,661
Michigan.....	18,469	17,954	2,109,910
Ohio.....	28,096	24,425	2,747,841
Region VI:			
Illinois.....	33,619	32,559	3,272,908
Indiana.....	11,177	10,936	1,238,700
Wisconsin.....	13,117	12,824	947,244
Region VII:			
Alabama.....	20,822	20,368	714,667
Florida.....	11,586	11,066	715,242
Georgia.....	17,539	16,777	912,308
Mississippi.....	9,438	8,992	417,657
South Carolina.....	7,678	7,092	530,886
Tennessee.....	12,232	11,752	800,942
Region VIII:			
Iowa.....	8,817	8,770	621,438
Minnesota.....	8,062	7,991	806,916
Nebraska.....	4,201	4,178	337,055
North Dakota.....	2,031	2,023	119,380
South Dakota.....	1,423	1,402	132,029
Region IX:			
Arkansas.....	10,065	9,593	394,602
Kansas.....	5,451	4,967	492,460
Missouri.....	13,062	12,122	1,307,648
Oklahoma.....	9,675	9,125	664,308
Region X:			
Louisiana.....	10,131	8,398	697,935
New Mexico.....	1,922	1,819	133,094
Texas.....	26,921	25,135	2,034,161
Region XI:			
Arizona.....	1,692	1,627	174,963
Colorado.....	6,628	6,591	379,133
Idaho.....	2,098	2,079	166,096
Montana.....	1,954	1,940	188,111
Utah.....	2,173	2,169	180,269
Wyoming.....	660	644	77,648
Region XII:			
California.....	33,643	32,635	3,040,058
Nevada.....	5,489	454	46,723
Oregon.....	5,583	5,265	408,580
Washington.....	6,524	6,250	660,067
Territories:			
Alaska.....	159	148	23,947
Hawaii.....	1,040	985	160,142

¹ Neither the monthly nor the cumulative total of accounts established should be taken as a measure of the number of persons engaged in employment covered by title II, since account numbers are issued to some persons who are not in such employment.

² Social Security Board administrative regions.

³ Represents total less cancellations and voids plus reinstatements.

Source: Bureau of Old-Age and Survivors Insurance, Accounting Operations Division.

Employee Accounts Established in Baltimore

As of November 30, a cumulative net total of 47.3 million employee accounts had been established with the Board in Baltimore. The 513,260 new accounts established in November included accounts for new occupational groups which were

brought into the program by the recently enacted amendments. The work of investigating instances in which more than one account number was held by the same individual was continued by the Accounting Operations Division, and 23,452 accounts were reported voided and canceled.

OPERATIONS UNDER THE RAILROAD RETIREMENT ACT*

Benefit payments under the Railroad Retirement Act decreased from \$9.5 million in October to \$9.3 million in November (table 4). These are the total amounts certified to the Secretary of the Treasury for payment of employee, survivor, and death-benefit annuities, pensions, and lump-sum death benefits, minus cancelations of payments

made in previous months. It should be noted that decreases in benefit payments as between consecutive months may occur in spite of the fact that there has been a constant growth in the number of beneficiaries and the amount paid to these beneficiaries. In large part month-to-month variations result from administrative factors which do not reflect changes in the growth of the system. Thus, with respect to employee annuities,

*Prepared by the Bureau of Research and Information Service, Railroad Retirement Board, in collaboration with the Bureau of Research and Statistics, Social Security Board.

Table 4.—Railroad Retirement Board: Total amount of benefit payments certified to the Secretary of the Treasury, by class of payment, by fiscal years, 1936-39, and by months, July 1938-November 1939¹

Fiscal year and month	Total payments	Employee annuities ²	Survivor annuities ³	Death-benefit annuities ⁴	Lump-sum death benefits ⁵	Permanent pensions ⁶
Cumulative through November 1939 ⁷	\$240,786,756	\$159,521,034	\$1,549,353	\$1,631,391	\$2,097,187	\$74,804,247
Total, 1936-37	4,604,232	4,487,496	47,490	69,245		
Total, 1937-38	* 82,904,286	46,097,991	381,237	625,106	38,954	34,667,453
Total, 1938-39	106,841,632	75,158,195	758,748	703,221	1,335,307	28,886,188
1938						
July	8,408,328	5,725,976	52,321	64,558	27,539	2,537,929
August	8,554,061	5,899,260	61,258	68,040	35,059	2,490,443
September	8,545,649	5,906,594	66,114	64,035	37,269	2,471,635
October	8,926,443	6,326,128	60,714	51,349	26,453	2,455,766
November	8,865,460	6,244,225	51,221	60,567	62,641	2,446,503
December	9,021,040	6,383,667	61,021	63,552	83,891	2,428,907
1939						
January	8,973,209	6,330,103	59,577	57,248	118,494	2,407,785
February	9,159,324	6,476,104	62,570	50,011	182,597	2,382,041
March	8,991,519	6,279,671	71,060	34,090	261,416	2,345,281
April	9,130,100	6,478,516	65,843	61,861	196,822	2,329,056
May	9,181,703	6,588,326	68,080	55,010	164,804	2,305,482
June	9,090,791	6,519,620	80,965	60,894	138,286	2,285,023
Total, 1939-40 through November	46,346,605	33,777,350	361,876	233,816	722,925	11,250,635
July	9,187,050	6,658,238	69,782	58,004	130,438	2,270,585
August	9,102,335	6,605,363	72,658	42,901	132,695	2,248,714
September	9,209,492	6,654,885	72,701	48,779	124,033	2,309,092
October	9,501,774	6,960,486	71,316	37,345	210,677	2,221,947
November	9,345,982	6,898,375	75,417	46,785	125,078	2,200,295

¹ Figures are total amounts (cents omitted) certified to the Secretary of the Treasury for payment. Figures for any month represent vouchers certified during that month, including retroactive payments and minus cancelations reported during the month. For monthly figures for fiscal years 1936-37 and 1937-38, see the *Bulletin*, July 1939, p. 8, table 3.

² Include age and disability annuities paid to eligible individuals after retirement. See the *Bulletin*, July 1939, pp. 17-19.

³ Payments to the surviving spouse of a deceased employee annuitant who duly elected a reduced annuity during his lifetime in order to provide a lifetime annuity for his spouse after his death.

⁴ Payments under the 1935 act to the surviving spouse or dependent next of kin of a deceased annuitant or of a deceased employee entitled to receive an annuity at the time of his death, in monthly amounts equal to half the monthly employee annuity, for 12 months.

⁵ Payments under the 1937 act to a designated beneficiary or to the deceased employee's legal representative, equal to 4 percent of compensation earned as an employee after Dec. 31, 1936 (excluding compensation in excess of \$300 in any 1 month), less the aggregate amount of any employee or survivor annuities paid.

⁶ Payments to individuals on the pension rolls of employers under the act on both Mar. 1 and July 1, 1937, who were not eligible for employee annuities. Total payments of pensions in any month are frequently less than corresponding monthly amounts payable as indicated by figures for pensions in force (table 5). This difference is due to cancelation of checks because of pensioner deaths reported to the Railroad Retirement Board after voucher for month's payment was sent to the Secretary of the Treasury.

⁷ Total benefit payments on basis of vouchers certified to the Secretary of the Treasury are \$8.6 million more than total on basis of checks drawn by disbursing officer as shown on p. 104, table 5. Amounts are certified to the Secretary of the Treasury and encumbered on books of the Railroad Retirement Board in latter part of month, but checks are not drawn by disbursing officer until first of following month.

⁸ Includes payments, for 3 months before Oct. 1, 1937, of \$1,183,541 to temporary pensioners who were eligible for employee annuities.

Source: Railroad Retirement Board.

Table 5.—Railroad Retirement Board: Number of annuities and pensions in force and monthly amount payable at end of month, by class of payment, by 6-month intervals, December 1936–June 1938, and by months, July 1938–November 1939¹

Year and month	All annuities and pensions		Employee annuities ²		Survivor annuities		Death-benefit annuities ³		Permanent pensions	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
December 1936.....	1,742	\$108,261	1,732	\$107,918	5	\$171	5	\$171		
June 1937.....	7,223	446,614	6,870	433,047	115	4,651	238	8,916		
December 1937.....	86,632	5,214,726	39,375	2,480,253	353	14,245	578	21,304	46,326	\$2,680,920
June 1938.....	108,240	6,708,316	62,870	4,097,616	807	31,489	649	24,232	43,914	2,554,979
1938										
July.....	110,713	6,882,876	65,612	4,289,625	897	34,701	649	24,021	43,555	2,534,530
August.....	113,680	7,082,345	68,829	4,504,803	974	37,095	643	25,950	43,234	2,516,496
September.....	116,412	7,280,034	71,706	4,695,265	1,114	41,419	689	25,481	42,903	2,497,867
October.....	118,993	7,426,695	74,543	4,878,648	1,196	43,814	655	25,911	42,599	2,480,519
November.....	121,741	7,595,263	77,445	5,060,257	1,310	47,026	715	25,893	42,271	2,462,086
December.....	123,630	7,717,077	79,624	5,200,252	1,372	48,730	703	25,547	41,981	2,442,546
1939										
January.....	125,107	7,812,654	81,452	5,317,101	1,432	50,546	696	25,222	41,527	2,419,784
February.....	126,791	7,927,129	83,522	5,455,021	1,482	51,990	695	25,103	41,092	2,396,013
March.....	128,445	8,035,087	85,473	5,582,687	1,580	54,887	742	26,816	40,650	2,370,695
April.....	129,779	8,124,472	87,132	5,692,229	1,652	57,150	745	26,909	40,250	2,348,182
May.....	131,082	8,211,567	88,734	5,796,982	1,712	58,978	757	27,006	39,859	2,325,090
June.....	132,239	8,290,476	90,185	5,896,101	1,783	61,239	771	27,364	39,500	2,305,770
July.....	133,272	8,363,866	91,488	5,966,406	1,836	62,853	764	27,065	39,184	2,287,409
August.....	134,134	8,426,897	92,712	6,071,013	1,875	63,914	727	25,705	38,820	2,266,263
September.....	135,328	8,504,443	94,046	6,159,122	1,939	65,633	768	27,079	38,575	2,252,668
October.....	136,400	8,578,701	95,472	6,253,577	1,970	66,637	735	25,764	38,223	2,232,721
November.....	137,634	8,662,207	97,021	6,355,676	2,024	68,149	717	25,069	37,872	2,213,312

¹ Figures based on month in which annuity was first certified, not retroactive to month for which it accrued. Cents omitted for all amounts. For monthly figures for fiscal years 1936-37 and 1937-38, see the *Bulletin*, July 1939, p. 10, table 4.

² Includes age and disability annuities. In-force figures here include, in addition to finally certified annuities several classes of annuities which are subject to change, principally with respect to annuity amount where finally adjudicated. See the *Bulletin*, July 1939, pp. 14-17. When amount of

annuity is increased by recertification, changed amount is reflected in month of recertification, not retroactively to months for which back payment is made.

³ In a few cases payments are made to more than 1 person on account of the death of a single individual. Such payments are here counted as single items.

Source: Railroad Retirement Board.

Table 6.—Railroad Retirement Board: Number and average actual monthly amount¹ payable on finally certified employee annuities, by type of annuity, through June 1938, and by months, April–November 1939

Period	All annuities		Age annuities				Disability annuities			
	Number	Average actual annuity	65 and over		Under 65		30 years' credited service		Less than 30 years' credited service	
			Number	Average actual annuity	Number	Average actual annuity	Number	Average actual annuity	Number	Average actual annuity
Finally certified annuities: ²										
Cumulative through June 1938.....	53,889	\$69.06	47,431	\$68.30	1,186	\$63.53	4,721	\$81.43	551	\$40.21
Fiscal year 1938-39.....	34,159	66.03	22,389	64.38	1,804	63.34	7,753	80.28	2,213	34.94
Originally certified on final basis:										
Total, April–June 1939.....	4,710	66.22	2,867	65.24	330	61.97	1,135	80.81	378	33.47
April.....	1,065	65.89	958	65.42	130	60.82	431	79.15	146	34.33
May.....	1,619	66.07	980	64.41	123	62.65	386	82.81	130	32.12
June.....	1,426	66.76	929	65.95	77	62.83	318	80.63	102	33.87
Total, July–November 1939.....	7,197	68.10	4,600	67.62	442	65.89	1,647	80.49	508	34.17
July.....	1,343	67.93	841	66.60	76	66.04	337	80.38	89	34.94
August.....	1,403	68.57	881	66.65	75	63.38	324	80.23	123	33.39
September.....	1,339	67.91	776	66.39	87	65.14	371	80.39	105	37.46
October.....	1,531	67.02	1,039	66.72	98	64.55	296	79.95	98	33.53
November.....	1,581	69.03	1,063	68.53	106	69.42	319	81.49	93	31.66

¹ For each annuity, the "normal annuity" is calculated from the annuity formula (see the *Bulletin*, July 1939, p. 4, footnote 4). For the majority of annuitants the normal annuity is the actual amount payable monthly. For age annuitants under 65 and disability annuitants with less than 30 years' credited service, the normal annuity is reduced by 1/360 for each calendar month that the annuitant is under 65 years at time his annuity begins to accrue. If an annuitant elects an annuity for a surviving spouse, the actual amount payable during his lifetime is reduced so that the combined actuarial

value of the 2 annuities will be the same as the actuarial value of the single-life annuity to which he would otherwise be entitled. Actual average amount payable reflects these 2 types of reductions. Figures for fiscal year 1938-39 and for individual months are preliminary.

² Includes annuities originally certified on final basis and recertified on final basis by end of period. See table 5, footnote 2.

Source: Railroad Retirement Board.

a considerable element of variation is introduced by retroactive payments to annuitants, which may cover periods of many months prior to the month of certification.

The total amount certified in the current fiscal year was \$46.3 million as compared with \$43.3 million for the same 5 months of the previous fiscal year. Total payments from the inception of the retirement system through November were \$240.8 million. Employee annuities accounted for 66.2 percent of this total and permanent pensions 31.1 percent. The proportion of employee annuity payments has been increasing steadily. For the current fiscal year they comprise 72.9 percent of the total as compared with 70.3 percent for the fiscal year 1938-39. Pension payments on the other hand have decreased from 27.0 percent to 24.3 percent in the corresponding periods.

Annuities and Pensions in Force

The total number of annuities and pensions in force increased to 137,634 at the end of November

with a total monthly amount payable of \$8.7 million (table 5). This was an increase of 1,234 in number and \$83,506 in amount over October, a somewhat greater increase than in preceding months of this fiscal year. Employee annuities accounted for 70.5 percent of the total number and 73.4 percent of the total amount in force at the end of November. For pensions the corresponding figures were 27.5 percent and 25.6 percent. Survivor and death benefit annuities together accounted for the remaining 2 percent of the total number and 1 percent of the total amount in force.

Employee Annuities

As shown in table 7, applications for employee annuities received in Washington during November totaled 2,133, making a total of 10,600 or an average of 2,120 per month during the current year. This compares with an average of 2,177 per month for the last 6 months of the preceding fiscal year. The number of new certifications

Table 7.—Railroad Retirement Board: Applications for employee annuities; number and monthly amount payable of new certifications, terminations by death, and net adjustments; and number in force and amount payable at end of month, by fiscal years, 1936-39, and by months, July 1938-November 1939¹

Fiscal year and month	Applications received ²	New certifications ³		Terminations by death		Net adjustments ⁴		In force at end of period ⁴	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
Cumulative through November 1939.....	144,634	110,294	\$6,756,177	12,914	\$828,524	-371	\$427,578	97,009	\$6,355,231
Total, 1936-37.....	27,929	7,158	445,285	284	17,414	-4	5,175	6,870	433,047
Total, 1937-38.....	52,895	58,682	3,612,542	2,815	177,693	-151	217,065	62,586	4,084,961
Total, 1938-39.....	28,440	34,813	2,094,809	7,003	456,935	-144	172,397	90,162	5,895,234
1938									
July.....	2,690	3,325	206,144	494	33,216	-27	21,857	65,390	4,279,748
August.....	2,846	3,767	232,647	476	31,962	-27	16,712	68,654	4,497,145
September.....	2,655	3,561	216,745	622	40,367	-23	15,743	71,571	4,689,276
October.....	2,684	3,443	206,961	575	37,103	-7	14,495	74,432	4,873,630
November.....	2,438	3,490	203,046	574	35,910	-3	15,036	77,345	5,055,903
December.....	2,068	2,838	167,137	623	38,820	-10	12,923	79,550	5,197,043
1939									
January.....	2,274	2,498	148,644	645	41,354	-5	10,496	81,398	5,314,830
February.....	2,059	2,716	164,562	642	41,546	1	15,128	83,473	5,452,974
March.....	2,385	2,638	155,852	648	41,033	-32	13,236	85,431	5,581,030
April.....	2,014	2,327	137,817	651	42,202	-7	14,269	87,100	5,690,914
May.....	1,964	2,210	133,077	578	37,078	-26	11,962	88,706	5,798,875
June.....	2,343	2,000	122,172	565	36,348	21	10,534	90,162	5,895,234
Total, 1939-40 through November.....	10,600	9,641	603,539	2,722	176,481	-72	32,939	97,009	6,355,231
July.....	2,006	1,827	114,194	534	34,538	16	10,882	91,471	5,985,772
August.....	2,310	1,858	117,411	591	38,569	-41	5,806	92,697	6,070,420
September.....	2,071	1,753	109,031	436	27,917	17	6,995	94,031	6,158,529
October.....	2,080	2,061	127,512	576	36,835	-56	3,924	95,460	6,253,132
November.....	2,133	2,142	135,388	585	38,620	-8	5,330	97,009	6,355,231

¹ Cents omitted for all amounts. See the *Bulletin*, July 1939, p. 14, table 6, for applications received, and p. 13, table 7, for other items, by months, in fiscal years 1936-37 and 1937-38.

² 24,770 applications were received prior to July 1, 1936. The difference between total applications and total certifications does not measure active pending load, principally because applicants may submit applications well in advance of retirement or may be declared ineligible, or may die prior to certification so that the employee annuity application is superseded by a survivor claim.

³ Excludes temporary annuities to former carrier pensioners, counted as applications and not as certifications until amounts of their annuities are determined on basis of service records. For this reason, figures in force differ

somewhat from those in table 5. For monthly figures on temporary annuities see the *Bulletin*, July 1939, p. 17, table 9.

⁴ Reinstatements of suspended annuities are added, while terminations for reasons other than death, including suspensions, returns to service, and commuted lump-sum annuity payments, are subtracted. Recertifications of employee annuities result in addition to amount payable but not to number of cases certified. For this reason, amount of adjustment bears no relation to net number of cases reported as adjusted. Net adjustment in amount is always positive, because of preponderant effect of recertifications.

Source: Railroad Retirement Board.

during the month increased to 2,142 with a total monthly amount payable of \$135,388. During November 585 deaths of employee annuitants were reported to the Board. After adjustment for suspensions, reinstatements of annuities previously suspended, and the settlement of several small annuities by lump-sum payments, there were 97,009 annuities in force at the end of

Table 8.—Railroad Retirement Board: Number and amount of lump-sum death benefits¹ under the 1937 act, certified through June 30, 1939, by State to which check was mailed

State	Number	Amount of benefit	
		Total	Average
Total.....	16,025	\$1,357,734	\$84.73
Alabama.....	244	19,976	81.87
Arizona.....	54	4,283	79.33
Arkansas.....	165	14,267	86.47
California.....	743	65,685	88.41
Colorado.....	191	17,203	90.07
Connecticut.....	129	12,432	96.38
Delaware.....	86	3,580	63.94
District of Columbia.....	87	7,511	86.34
Florida.....	187	14,311	76.53
Georgia.....	398	31,410	78.92
Idaho.....	36	2,891	80.33
Illinois.....	1,389	123,384	88.83
Indiana.....	589	47,454	80.57
Iowa.....	318	26,538	82.82
Kansas.....	288	26,707	89.62
Kentucky.....	354	29,380	83.00
Louisiana.....	175	13,435	76.89
Maine.....	85	8,044	94.64
Maryland.....	320	25,533	79.85
Massachusetts.....	364	32,211	88.49
Michigan.....	426	37,151	87.21
Minnesota.....	356	34,259	96.24
Mississippi.....	133	9,919	74.59
Missouri.....	514	44,973	87.50
Montana.....	85	8,082	95.09
Nebraska.....	163	15,474	94.94
Nevada.....	19	1,548	81.52
New Hampshire.....	38	3,192	84.00
New Jersey.....	604	52,934	87.64
New Mexico.....	40	2,628	65.72
New York.....	1,436	122,674	85.43
North Carolina.....	215	17,695	82.31
North Dakota.....	62	6,381	102.93
Ohio.....	1,023	96,254	94.32
Oklahoma.....	121	10,049	83.05
Oregon.....	106	9,332	88.04
Pennsylvania.....	1,729	139,317	80.58
Rhode Island.....	38	2,945	77.50
South Carolina.....	103	7,788	75.61
South Dakota.....	43	3,359	78.12
Tennessee.....	319	24,872	77.97
Texas.....	706	61,685	87.37
Utah.....	93	8,307	89.33
Vermont.....	55	3,907	71.05
Virginia.....	525	43,892	83.60
Washington.....	191	17,344	90.81
West Virginia.....	263	18,574	70.62
Wisconsin.....	318	26,982	84.85
Wyoming.....	37	4,525	122.31
Outside continental United States.....	82	5,610	68.42

¹ Payments under the 1937 act to a designated beneficiary or to the deceased employee's legal representative equal to 4 percent of compensation earned as an employee after Dec. 31, 1936 (excluding compensation in excess of \$300 in any 1 month), less the amount of any employee or survivor annuities paid. In only 13 of these cases was there a reduction due to prior annuity payments. See the *Bulletin*, October 1939, pp. 33-34.

November with a monthly amount of \$6,355,231. To the end of November there had been a total of 110,294 employee annuities certified to the Secretary of the Treasury, of which 12,914 had been terminated by death.

For all annuities and for each type except disability annuities based on 30 years of service, the average actual annuity has been higher on initial certifications during the present fiscal year than during the last quarter of the fiscal year 1938-39, the only previous period for which such figures are available (table 6). It is not yet possible to determine whether these changes have resulted from administrative factors or from changes in the amount of annuity for later retirements.

Survivor Payments

During November there were 58 new certifications of survivor annuities aggregating \$1,664 per month, and five annuities were terminated by death. After adjustments, there were 2,024 in force at the end of the month, with a total monthly amount payable of \$68,149 and an average of \$33.67.

One hundred and fourteen new death-benefit annuities aggregating \$3,955 per month were certified during the month of November. During the same period 130 annuities aggregating \$4,600 per month were terminated by the completion of the 12 monthly payments, while 2 annuities were terminated by the death of the survivor before the expiration of the 12 months. There remained in force at the end of the month 717 death-benefit annuities with a total monthly amount payable of \$25,069 and an average payment of \$34.96. In 156 cases the surviving spouse was receiving a survivor as well as a death-benefit annuity.

During November 1,171 lump-sum death benefits¹ were certified. Of these all but 66 were paid with respect to the death of individuals who had not filed applications for employee annuities prior to death. By the end of November the total number of such claims certified was 21,470. The average payment for November was \$144.90 as compared with \$141.71 for October and \$98.03 for all payments certified through November.

¹ Based on certifications counted as of the 20th of the month. The data therefore do not correspond with the amounts shown in table 4 as certifications to the Secretary of the Treasury.

State Distribution of Lump-Sum Death Benefits

In the December Bulletin (p. 82) the number and monthly amounts of annuities and pensions in force as of June 30, 1939, were classified by the State to which the first benefit check was mailed. Table 8 presents the number, total amount, and average amount of lump-sum benefit payments through June 1939, classified by the State to which the benefit check was mailed. The distribution

by number and amount is similar to that for employee annuities in force on June 30, 1939, as shown in the December Bulletin. The greatest number of lump-sum death benefits was paid to individuals in Pennsylvania, who received 10.8 percent of the total number of payments. Individuals residing in New York received 9.0 percent, in Illinois 8.7 percent, in Ohio 6.4 percent, and in California 4.6 percent. The distribution by amount of payment is similar to the distribution by number.

FINANCIAL AND ECONOMIC DATA

BUREAU OF RESEARCH AND STATISTICS • DIVISION OF OLD-AGE BENEFITS RESEARCH

THE MORE THAN seasonal autumn increases in business activity, employment, production, and pay rolls continued through November and were reflected in certain of the social security financial series. November tax collections under the Federal Insurance Contributions Act reached a new peak. Deposits of States in the unemployment trust fund for November were higher than for any previous month, with the exception of February and August 1939. As of November 30 the balance in the unemployment trust fund was \$1,528.2 million, and funds available for benefit payments in the old-age reserve account reached \$1,395.1 million.

Unemployment Trust Fund

During November withdrawals from the unemployment trust fund for benefit payments amounted to \$28.6 million and deposits to \$143.2 million. The fact that withdrawals did not rise much during the month and that contributions were even higher than in most previous months tended to build the balances in the fund. Since the cash balance at the beginning of the month was already somewhat higher than usual, the funds available for investment reached a new high. Actually \$142.0 million was invested in special unemployment trust fund certificates of indebtedness bear-

Table 1.—Status of the unemployment trust fund,¹ by fiscal years, 1935-39, and by months, July 1938–November 1939

[In thousands]

Fiscal year and month	Total assets (at end of period)	Certificates of indebtedness ²	Unexpended balance (at end of period)	State accounts				Railroad unemployment insurance account				
				Deposits	Interest credited	Withdrawals	Balance (at end of period)	Advances from appropriation ³	Transfers from State accounts	Deposits	Benefit payments	Balance (at end of period)
Cumulative through November 1939.....	\$1,528,227	\$1,512,000	\$16,227	\$2,276,290	\$44,991	\$805,069	\$1,516,213	\$15,000	\$599	\$622	\$4,206	\$12,015
Total, 1935-36.....	18,949	18,900	40	18,858	92	—	18,949	—	—	—	—	—
Total, 1936-37.....	312,389	293,386	94	291,703	2,737	1,000	312,389	—	—	—	—	—
Total, 1937-38.....	884,247	550,705	12,247	747,680	15,172	190,975	884,247	—	—	—	—	—
Total, 1938-39.....	1,280,539	395,000	13,539	811,251	26,837	441,795	1,280,539	—	—	—	—	—
1938												
July.....	883,763	0	11,763	35,486	0	35,970	883,763	—	—	—	—	—
August.....	962,382	82,000	8,382	131,334	0	52,715	962,382	—	—	—	—	—
September.....	957,739	—4,000	7,739	35,372	30	40,045	957,739	—	—	—	—	—
October.....	956,167	—14,000	20,167	38,020	103	39,693	956,167	—	—	—	—	—
November.....	1,054,796	96,000	22,796	125,069	0	26,440	1,054,796	—	—	—	—	—
December.....	1,072,283	32,000	8,283	36,922	0	19,435	1,072,283	—	—	—	—	—
1939												
January.....	1,080,563	10,000	15,563	38,740	11,858	33,318	1,080,563	—	—	—	—	—
February.....	1,201,885	111,000	16,885	148,330	0	36,008	1,201,885	—	—	—	—	—
March.....	1,192,019	0	7,019	33,964	74	43,905	1,192,019	—	—	—	—	—
April.....	1,184,600	—13,000	12,600	33,523	88	41,030	1,184,600	—	—	—	—	—
May.....	1,289,600	106,000	9,600	137,081	0	32,081	1,289,600	—	—	—	—	—
June.....	1,280,539	—13,000	13,539	17,409	14,683	41,153	1,280,539	—	—	—	—	—
Total, 1939-40 through November.....	1,528,227	245,000	16,227	406,818	154	171,299	1,516,213	15,000	\$599	622	4,206	12,015
July.....	1,296,804	—14,000	43,804	42,648	15	41,581	1,281,620	15,000	\$253	—	69	15,184
August.....	1,410,448	126,000	28,448	154,173	0	39,754	1,396,039	0	\$91	—	865	14,410
September.....	1,383,531	—19,000	20,531	12,748	104	38,497	1,370,393	0	0	—	1,271	13,139
October.....	1,413,866	7,000	43,866	54,027	35	22,859	1,401,596	0	\$255	—	1,124	12,270
November.....	1,528,227	142,000	16,227	143,223	0	28,607	1,516,213	0	0	622	877	12,015

¹ Beginning July 1939, the unemployment trust fund contains a separate book account for the railroad unemployment insurance account in which are held moneys deposited by the Railroad Retirement Board and from which the Secretary of the Treasury makes such unemployment benefit payments as are certified by the Railroad Retirement Board. The trust fund continues as heretofore the separate accounts for each State agency in which are held all moneys deposited by State agencies from State unemployment funds and from which State agencies withdraw amounts as required for benefit payments.

² Minus figures represent sale of certificates.

³ Advanced to railroad unemployment insurance account, pursuant to sec. 10 (d) of the Railroad Unemployment Insurance Act of June 25, 1938. Such amounts advanced to be repaid on or before Jan. 1, 1941.

⁴ These amounts were certified by the Social Security Board to the Secretary of the Treasury on behalf of the State of Connecticut for payment into the railroad unemployment insurance account in accordance with sec. 13 of the Railroad Unemployment Insurance Act.

Source: Daily Statement of the U. S. Treasury.

ing a 2.5-percent interest rate. This transaction reduced cash balances from \$43.9 million at the end of October to \$16.2 million on November 30.

Assets of the fund as of November 30 aggregated \$1,528.2 million, of which \$1,516.2 million was credited to the accounts of State agencies and \$12.0 million to the railroad unemployment insurance account. The amount in the railroad unemployment insurance account includes \$622,000 deposited by the Railroad Retirement Board in

accordance with the provisions of the Railroad Unemployment Insurance Act as amended on June 20, 1939. The act requires that the Railroad Retirement Board deposit to the credit of the account, for payment of benefits, 90 percent of the railroad unemployment insurance contributions collected by the Board. October was the first month during which contributions were collected, and November was the first month during which such a deposit was made.

Table 2.—Social security and railroad retirement receipts, expenditures, and issues and total Federal receipts, expenditures, and debt, by fiscal years, 1935–39, and by months, July 1938–November 1939

[In millions]

Fiscal year and month	General and special accounts										Trust accounts, etc., ¹ excess receipts (+) or expenditures (–)	Change in general fund balance	Public debt					
	Receipts of Federal Government				Expenditures ² of Federal Government								Total	Old-age reserve account	Unemployment trust fund	Railroad retirement account	All other	
	Total	Social security taxes ¹	Taxes under the Carriers Taxing Act	All other	Total	Under the Social Security Act		Under the Railroad Retirement Act		All other								Excess receipts (+) or expenditures (–)
						Ad- minis- trative ex- pense and grants to States ³	Trans- fers to old- age re- serve ac- count	Ad- minis- trative ex- pense	Trans- fers to rail- road re- tire- ment ac- count									
Total, 1935–36	\$4,116		(⁰)	\$4,116	\$8,666	\$28		(⁰)		\$3,638	–\$4,550	+\$312	+\$840	\$33,779		\$19		\$33,760
Total, 1936–37	5,294	\$252	(⁰)	5,042	8,442	183	\$265	\$1		7,093	–3,140	+\$374	–128	36,425	\$267	312		35,846
Total, 1937–38	6,242	604	\$150	5,488	7,626	291	387	3	\$146	6,799	–1,384	+\$306	–338	37,165	662	872	\$66	35,565
Total, 1938–39	5,668	631	109	4,928	9,210	342	503	3	107	8,255	–3,542	+\$800	–622	40,440	1,177	1,267	67	37,929
1938																		
July	311	31	(⁰)	280	762	40	38	(⁰)	22	690	–451	+\$25	–100	37,191	700	872	68	35,551
August	487	106	26	355	683	32	38	(⁰)	10	603	–196	–63	+144	37,593	733	954	70	35,836
September	711	3	(⁰)	708	751	10	33	(⁰)	12	696	–40	–41	+719	38,393	766	950	71	36,006
October	332	34	1	297	799	49	32	(⁰)	12	676	–437	–3	–409	38,423	798	936	73	36,616
November	382	103	26	253	677	28	32	(⁰)	17	600	–295	–6	–122	38,603	830	1,032	74	36,667
December	704	3	(⁰)	701	862	14	32	(⁰)	17	799	–138	–31	+636	39,427	862	1,064	76	37,425
1939																		
January	308	42	1	265	693	33	37	(⁰)	2	621	–385	–30	–151	39,631	894	1,074	77	37,586
February	417	154	27	236	662	26	50	(⁰)	0	586	–245	+428	+410	39,859	944	1,185	77	37,653
March	737	4	(⁰)	733	870	23	50	(⁰)	18	779	–133	+52	+46	39,985	994	1,185	77	37,729
April	268	30	(⁰)	238	785	37	55	(⁰)	0	693	–517	+93	–346	40,063	1,044	1,172	77	37,770
May	397	118	6	273	744	32	50	(⁰)	(⁰)	662	–348	+9	–119	40,282	1,094	1,280	67	37,841
June	613	4	21	588	951	17	56	(⁰)	(⁰)	878	–339	+95	–86	40,440	1,177	1,267	67	37,929
Total, 1939–40 through November	2,175	313	34	1,828	3,868	166	220	1	67	3,414	–1,693	+154	–673	41,305	1,302	1,512	77	38,324
July	308	35	1	272	807	43	43	(⁰)	22	699	–499	–113	–391	40,661	1,220	1,253	69	38,119
August	420	115	4	301	822	36	48	(⁰)	18	720	–402	–44	–216	40,891	1,263	1,282	77	38,169
September	719	3	24	692	784	20	43	(⁰)	7	714	–65	+46	–63	40,853	1,306	1,363	77	38,112
October	322	24	1	287	764	45	43	(⁰)	10	698	–442	–1	–264	41,036	1,349	1,370	77	38,240
November	407	125	4	278	691	24	43	(⁰)	10	614	–284	+267	+252	41,305	1,392	1,512	77	38,324

¹ Titles VIII and IX (except sec. 904) of the Social Security Act were repealed and reenacted as ch. 9, subchs. A and C, respectively, of the Internal Revenue Code approved Feb. 10, 1939. Amendments to the Social Security Act, approved Aug. 10, 1939, permit citation of subchs. A and C as "Federal Insurance Contributions Act" and "Federal Unemployment Tax Act," respectively. These data from the Daily Statement of the U. S. Treasury differ from tax collections in table 3 which are based on warrants covered by the Bookkeeping and Warrants Division of the Treasury Department.

² Excludes public-debt retirement. Based on checks cashed and returned to the U. S. Treasury.

³ Excludes funds for vocational rehabilitation program of the Office of Education and for administration and research in the U. S. Public Health Service. See table 4, footnote 1.

⁴ Includes all trust accounts, increment resulting from reduction in weight of the gold dollar, expenditures chargeable against increment on gold (other than retirement of national bank notes), and receipts from seigniorage.

⁵ Less than \$500,000.

Source: Compiled from data in the Daily Statement of the U. S. Treasury.

Many factors effect changes in the State accounts. Total deposits tend to conform to a quarterly pattern, since most States collect taxes and make deposits quarterly. The relation between fluctuations in employment, pay rolls, and deposits to State accounts is obscured in part by

the quarterly tax collections and in part by the time lag between collections and deposits in the trust fund, a lag which varies substantially between States. Deposits, withdrawals, and interest by States are shown in table 8, in the Employment Security section of the Bulletin.

Table 3.—Federal insurance contributions and Federal unemployment taxes,¹ by internal revenue collection districts, for the fiscal years 1938-39 and 1939-40, and cumulative through November 1939

(In thousands)

Internal revenue collection district in—	Fiscal year 1938-39			Fiscal year 1939-40 through November			Cumulative through November 1939		
	Total	Insurance contributions ²	Unemployment taxes ³	Total	Insurance contributions ²	Unemployment taxes ³	Total	Insurance contributions ²	Unemployment taxes ³
Total	\$630,202.2	\$329,443.0	\$100,759.2	\$313,607.9	\$291,463.5	\$22,144.4	\$1,800,669.2	\$1,529,798.5	\$270,870.7
Alabama	4,533.0	3,827.7	705.4	2,204.7	2,060.8	143.8	12,535.6	10,955.3	1,580.3
Arizona	1,028.3	902.9	125.4	469.1	451.7	17.4	2,898.6	2,619.9	278.7
Arkansas	1,700.8	1,497.8	203.0	820.3	802.8	17.5	5,075.8	4,182.7	893.1
California (2 districts)	39,453.9	34,317.7	5,136.2	19,422.9	18,516.2	906.7	106,893.6	95,227.4	11,666.2
Colorado	3,721.8	3,222.7	499.2	1,847.9	1,747.8	100.1	10,358.7	9,216.9	1,141.8
Connecticut	12,153.2	10,321.6	1,831.6	6,173.2	5,850.2	323.0	34,580.3	30,294.2	4,286.1
Delaware	3,320.1	2,781.2	538.9	1,958.3	1,754.8	203.5	10,285.1	8,506.2	1,779.0
Florida	4,478.0	3,911.1	566.9	2,052.8	1,940.8	112.1	12,919.7	10,538.1	2,381.6
Georgia	6,285.9	5,285.1	1,000.8	3,019.5	2,934.4	85.1	18,672.6	14,860.0	3,800.6
Hawaii	1,329.6	1,154.5	175.1	638.7	610.3	28.4	3,873.7	3,119.6	754.1
Idaho	1,079.9	953.9	125.9	551.7	545.0	6.7	3,086.2	2,803.7	282.5
Illinois (2 districts)	58,142.8	49,120.3	9,022.5	29,492.8	27,057.2	2,435.6	180,932.0	142,993.7	37,938.3
Indiana	11,051.7	9,527.7	1,523.9	5,650.0	5,454.3	195.6	30,874.4	27,541.7	3,332.7
Iowa	5,812.4	5,038.7	773.7	2,847.0	2,776.4	70.6	15,623.1	13,970.8	1,652.3
Kansas	3,130.6	2,566.8	563.8	1,485.0	1,334.5	150.5	9,548.2	7,264.1	2,284.1
Kentucky	5,024.0	4,056.6	967.4	2,380.7	2,176.2	204.5	13,800.3	11,566.3	2,234.0
Louisiana	4,810.4	4,128.6	681.7	2,269.8	2,191.8	78.0	12,830.1	11,374.5	1,455.6
Maine	2,568.5	2,281.0	287.5	1,293.8	1,256.8	37.1	7,094.2	6,372.7	721.5
Maryland (including District of Columbia)	11,643.3	9,620.7	2,022.6	5,775.7	5,339.7	436.0	31,946.8	27,195.5	4,751.3
Massachusetts	28,368.9	24,174.1	4,194.8	14,252.6	13,662.8	589.8	79,585.1	70,075.2	9,509.8
Michigan	35,051.3	29,840.5	5,210.9	18,078.6	16,863.3	1,215.4	104,200.1	92,079.3	12,120.7
Minnesota	9,672.4	8,152.1	1,520.3	4,898.7	4,530.0	368.6	27,273.1	23,067.5	4,185.5
Mississippi	1,510.4	1,340.5	179.9	734.3	720.9	13.3	4,089.1	3,721.0	368.1
Missouri (2 districts)	17,204.4	14,456.7	2,767.7	8,559.3	7,861.2	698.1	52,391.6	40,794.6	11,597.0
Montana	1,147.1	1,010.6	136.4	608.2	577.0	31.2	3,473.7	2,868.6	605.1
Nebraska	3,165.3	2,616.3	549.0	1,600.5	1,422.1	178.3	9,614.5	7,306.1	2,308.5
Nevada	444.9	350.8	94.0	229.3	203.2	26.1	1,781.5	1,426.7	354.9
New Hampshire	1,773.7	1,558.3	215.5	936.0	893.6	42.4	4,830.1	4,367.6	462.5
New Jersey (2 districts)	22,784.9	19,593.8	3,191.2	11,547.9	10,852.8	695.1	62,756.9	55,429.8	7,327.1
New Mexico	649.7	577.9	71.8	307.1	303.4	3.8	1,763.6	1,625.3	138.3
New York (6 districts)	147,036.6	117,107.3	29,949.3	71,726.7	63,383.1	8,343.6	411,668.5	333,469.6	78,198.9
North Carolina	7,513.7	6,484.3	1,029.4	3,779.3	3,592.7	186.6	20,542.0	18,215.0	2,327.0
North Dakota	872.6	511.5	361.1	278.3	273.6	4.6	1,346.1	1,307.2	38.9
Ohio (4 districts)	40,008.2	34,120.7	5,887.4	20,705.5	19,501.3	1,204.3	117,304.2	103,249.0	14,055.2
Oklahoma	5,948.8	5,185.5	763.3	2,834.1	2,670.9	163.2	16,583.8	14,689.2	1,894.6
Oregon	4,099.1	3,557.0	542.1	2,068.1	2,004.0	64.1	11,267.4	10,059.3	1,208.1
Pennsylvania (3 districts)	58,092.2	49,604.2	8,487.9	28,884.7	27,211.8	1,672.9	168,061.2	148,342.9	19,718.2
Rhode Island	4,184.6	3,613.0	571.6	2,078.9	2,012.5	66.5	11,857.9	10,938.2	919.6
South Carolina	2,954.6	2,558.4	396.1	1,439.9	1,370.3	69.6	8,202.0	7,436.4	765.6
South Dakota	622.2	562.7	59.5	311.1	300.1	11.0	1,702.5	1,597.9	104.6
Tennessee	5,782.3	4,935.9	846.4	2,747.9	2,657.3	90.6	15,853.3	13,916.5	1,936.8
Texas (2 districts)	15,499.0	13,016.9	2,482.0	7,430.8	7,357.7	73.1	41,639.0	37,018.1	4,620.9
Utah	1,468.5	1,283.6	184.8	697.0	686.4	10.6	4,068.2	3,663.4	404.8
Vermont	1,033.0	891.5	141.5	534.6	525.3	9.3	2,908.1	2,604.0	304.1
Virginia	6,454.7	5,447.2	1,007.5	3,155.7	2,983.5	172.2	17,222.0	14,939.0	2,283.0
Washington (including Alaska)	7,343.0	6,357.6	985.4	3,782.7	3,502.4	280.3	22,336.9	18,080.9	4,256.0
West Virginia	5,283.5	4,593.0	690.6	2,448.7	2,326.2	122.5	14,889.6	13,332.8	1,556.8
Wisconsin	12,666.8	10,995.0	1,671.8	6,322.9	6,049.0	273.9	35,640.9	32,041.9	3,599.0
Wyoming	565.6	490.3	66.4	274.3	263.4	10.9	1,697.3	1,413.5	283.8

¹ Titles VIII and IX (except sec. 904) of the Social Security Act were repealed and reenacted as ch. 9, subch. A and C, respectively, of the Internal Revenue Code approved Feb. 10, 1939. Amendments to the Social Security Act, approved Aug. 10, 1939, permit citation of subch. A and C as "Federal Insurance Contributions Act" and "Federal Unemployment Tax Act," respectively. Data are based on warrants covered by the Bookkeeping and Warrants Division of the Treasury Department and therefore differ slightly from the tax receipts in table 2, which are based on the Daily Statement of the U. S. Treasury. The amounts listed in this table represent collections made in internal revenue collection districts in the respective States and covered into the U. S. Treasury. The amount received by a particular district does not necessarily represent taxes paid with respect to employment within the State in which that district is located.

² Taxes effective Jan. 1, 1937, based on wages for employment as defined in ch. 9, subch. A, sec. 1426, of the Internal Revenue Code, payable by both employer and employee.

³ Taxes effective Jan. 1, 1936, based on wages for employment as defined in ch. 9, subch. C, sec. 1607, of the Internal Revenue Code, payable by employers only. The amounts here recorded represent taxes paid after deduction of credits for amounts paid into State unemployment funds. During part of period prior to fiscal year 1938-39 employers were not able to claim credit in States in which the unemployment compensation law had not yet been certified by the Social Security Board.

Source: U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits.

Receipts and Expenditures

Federal social security tax receipts during November amounted to \$125.5 million, exceeding by \$10.8 million the receipts in August, the second and highest month of the previous quarter, and by \$22.7 million receipts in November 1938.

These receipts were higher than those in any other previous month except February 1939, when the total was increased above the usual high level for the second month of the quarter by receipts of the unemployment taxes on 1938 pay rolls, which are payable on an annual basis.

Chart I indicates the February peak in Federal unemployment taxes and the pattern of monthly collections under the Federal Insurance Contributions Act and the Federal Unemployment Tax Act from January 1937 to November 1939.

Federal insurance contributions in November totaled \$117.5 million, an all-time monthly high

for such collections and an increase of 22.7 percent over November 1938. These collections reflect increased business activity during July, August, and September, the pay-roll period on which the taxes are based.

Taxes under both acts are shown by internal revenue collection districts in table 3. During the 5-month period of the current fiscal year, total collections amounted to \$313.6 million, of which \$291.5 million or 92.9 percent represented insurance contributions and \$22.1 million or 7.1 percent represented unemployment taxes. A few internal revenue districts accounted, as usual, for the largest proportion of these tax collections. Twenty-one districts in California, Illinois, Massachusetts, Michigan, New Jersey, New York, Ohio, and Pennsylvania accounted for 67.6 percent of Federal insurance contributions and 77.1 percent of unemployment taxes during this period. Total cumulative receipts through November

Table 4.—Federal appropriations and expenditures under the Social Security Act for the fiscal years 1938-39 and 1939-40¹

Item	Fiscal year 1938-39		Fiscal year 1939-40	
	Appropriations ²	Expenditures through June ³	Appropriations ⁴	Expenditures through November ⁵
Total.....	\$754,855,000.00	\$844,621,270.44	\$933,843,500.00	\$386,472,442.88
Administrative expenses.....	22,705,000.00	21,306,113.48	25,188,500.00	8,202,948.18
Federal Security Agency, Social Security Board: Salaries, expenses, and wage records.....	22,300,000.00	20,901,117.46	24,750,000.00	8,049,919.54
Department of Labor, Children's Bureau: Salaries and expenses.....	325,000.00	323,928.10	338,500.00	126,855.95
Department of Commerce, Bureau of the Census: Salaries and expenses.....	80,000.00	81,067.92	100,000.00	26,172.69
Grants to States.....	342,150,000.00	320,315,156.96	358,655,000.00	158,269,494.70
Federal Security Agency.....			349,000,000.00	154,228,121.14
Social Security Board.....	326,000,000.00	304,026,288.18	339,500,000.00	150,238,304.01
Old-age assistance.....	214,000,000.00	208,844,926.55	225,000,000.00	100,339,545.63
Aid to dependent children.....	45,000,000.00	31,013,158.72	45,000,000.00	16,561,099.23
Aid to the blind.....	8,000,000.00	8,303,912.75	8,000,000.00	2,663,318.83
Unemployment compensation administration.....	59,000,000.00	58,864,290.16	61,500,000.00	30,609,343.32
Public Health Service: Public-health work.....	8,000,000.00	8,005,731.30	9,500,000.00	3,974,817.13
Department of Labor, Children's Bureau.....	8,150,000.00	8,283,137.48	9,655,000.00	4,041,373.56
Maternal and child-health services.....	3,800,000.00	3,717,365.51	4,800,000.00	1,919,269.33
Services for crippled children.....	2,850,000.00	3,047,381.92	3,350,000.00	1,442,417.92
Child-welfare services.....	1,500,000.00	1,518,390.05	1,505,000.00	679,686.31
Transfers to old-age reserve account ⁷	390,000,000.00	503,000,000.00	550,000,000.00	220,000,000.00

¹Excludes some funds appropriated and expended under the Social Security Act because they are not separated from other Federal funds for similar purposes. Such is the case with funds for vocational rehabilitation for which \$104,650 was appropriated in 1938-39 and \$111,500 in 1939-40 for administration in the Office of Education, and \$1.8 million in 1938-39 and \$1,938,000 in 1939-40 for grants to States. For administration and research in the U. S. Public Health Service, appropriations were \$1.6 million in 1938-39 and \$1,640,000 in 1939-40, in addition to grants to States shown in this table.

²Excludes unexpended balance of appropriations for previous fiscal year.

³Based on checks cashed and returned to the U. S. Treasury. Includes expenditures from reappropriated balance of appropriations for previous fiscal year.

⁴Includes additional appropriations made available by the Third Deficiency Appropriation Act, approved Aug. 9, 1939.

⁵Includes additional appropriations of \$9 million approved Mar. 15, 1939, and \$10 million approved May 2, 1939.

⁶Includes grants certified by the Social Security Board to States for employment service administration to meet requirements of unemployment compensation program.

⁷See table 6 for detailed statement of this account through November 1939.

⁸The 1940 Treasury Department Appropriation Act, approved May 6, 1939, appropriated \$580 million for transfer to the old-age reserve account of which \$30 million was made available during 1938-39, leaving \$550 million for transfers during 1939-40.

Source: U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits (appropriations), Daily Statement of the U. S. Treasury (expenditures).

amounted to \$1,800.7 million, of which \$1,529.8 million or 85.0 percent was Federal insurance contributions and \$270.9 million or 15.0 percent was Federal unemployment taxes.

Federal receipts other than social security collections and taxes under the Carriers Taxing Act amounted to \$277.3 million in November, 9.9 percent more than the corresponding figure a year ago but less than the amount for October. The increase over last year represents primarily the rise in miscellaneous internal revenue receipts and reflects increased business activity in industries subject to special excise taxes. Net personal and corporate income tax receipts will not show the effect of the 1939 improvement in business conditions until returns are filed in 1940. Since social security receipts respond more quickly than total Federal receipts to changes in business conditions, the ratio of social security to total Federal receipts continued to increase, amounting to 30.8 percent

of total receipts as compared with 26.9 percent in November 1938.

Federal expenditures under the Social Security Act, including transfers to the old-age reserve account, totaled \$66.9 million during November, bringing total expenditures for the first 5 months of the current fiscal year to \$386.5 million as contrasted with \$332.4 million expended during the corresponding period of 1938-39.

Total expenditures under the Social Security Act during November constituted 9.7 percent of all Federal expenditures, as compared with 8.9 percent for November 1938. This rise is considerable, since total Federal expenditures also increased during this period. The increase is mainly the result of larger grants to States for the public-assistance programs for the current fiscal year and the rise in transfers to the old-age reserve account.

Total Federal expenditures this November ex-

Table 5.—Status of the railroad retirement account as of June 30, 1938, and by months, July 1938–November 1939¹

Year and month	Appropriation balance on first of month ²	Transfers from appropriation to trust fund	Cancellations and repayments ³	Interest received by trust fund	3-percent special Treasury notes acquired ⁴	Deposits with disbursing officer for benefit payments	Benefit payments issued by disbursing officer ⁵	Cash with disbursing officer at end of month	Balance in trust fund at end of month
Cumulative through June 1938	\$93,692	\$141,803,720	\$27,360	\$1,410,821	\$66,200,000	\$86,900,000	\$80,491,156	\$1,014,899	\$140,027
1938									
July	118,343,692	22,000,000	2,876		2,000,000	20,000,000	8,115,367	12,899,531	142,900
August	96,343,692	9,500,000	37,213		1,500,000	8,000,000	8,402,865	12,496,665	180,117
September	86,843,692	11,800,000	9,397		1,800,000	10,000,000	8,567,162	13,929,503	180,514
October	76,343,692	11,500,000	12,358		1,500,000	10,000,000	8,706,770	15,222,732	201,873
November	63,843,692	16,500,000	4,801		1,500,000	15,000,000	8,856,363	21,366,368	206,674
December	47,343,692	16,500,000	3,717		1,500,000	15,000,000	8,813,153	27,553,215	210,361
1939									
January	30,843,692	1,500,000	1,124		1,500,000		8,780,817	18,802,367	211,518
February	29,343,692		411				9,043,924	9,758,472	211,928
March	29,343,692	18,000,000	1,735			18,000,000	9,109,816	18,648,655	213,686
April	11,343,692		14,642			213,663	9,172,486	9,689,832	14,963
May	11,343,692	93,692	2,100	266,301	-10,000,000	10,359,993	9,097,189	10,952,636	16,763
June	11,250,000	(*)	3,260	1,935,575			9,029,007	1,923,629	1,955,579
Cumulative through June 1939	11,250,000	248,897,412	121,000	3,612,698	67,200,000	193,473,656	186,156,083	1,923,629	1,955,579
July	131,400,000	21,000,000	1,743		1,900,000	20,000,000	9,059,584	12,864,044	1,957,322
August	109,500,000	18,100,000	1,465		8,100,000	10,000,000	9,017,619	13,846,424	1,958,786
September	91,400,000	7,150,000	2,845			9,109,987	9,192,366	13,764,016	1,668
October	84,250,000	10,000,000	1,861			10,000,000	9,395,427	14,368,588	3,594
November	74,250,000	10,000,000	704			10,000,000	9,362,573	15,006,014	4,212
Cumulative through November 1939	64,250,000	316,047,412	129,621	3,612,698	77,200,000	252,583,644	232,183,685	15,006,014	4,212

¹ The railroad retirement account was created by the Railroad Retirement Act of 1937. An act approved July 1, 1937, appropriated to the account the unexpended balance of the \$46,630,000 which had been appropriated for the year 1936-37 for the payment of benefits under the 1935 act, and provided that all benefit payments made from that appropriation prior to July 1, 1937, be considered as having been made from the railroad retirement account. Cents omitted. For monthly figures July 1936-June 1938, and for an explanation of the derivation of balance items, see the *Bulletin*, July 1939, p. 6, table 2.

² Balance as of fiscal year is balance on last day of June. Balance as of July 1 includes appropriation for new fiscal year: \$118,250,000 for 1938-39, and \$120,150,000 for 1939-40.

³ Includes checks canceled by the General Accounting Office and repayments on account of improper payments to claimants. Checks returned to disbursing officer and canceled by him are not included. (See footnote 5.) Cancellations and repayments are treated as additions to trust fund.

⁴ Minus item represents sale of notes.

⁵ On basis of checks issued by disbursing officer less checks canceled by disbursing officer, total benefit payments are \$5.6 million less than total on basis of vouchers certified to the Secretary of the Treasury for payment, as shown on p. 95, table 4, since checks drawn by disbursing officer as of first of a month are certified to the Secretary of the Treasury and encumbered on books of the Railroad Retirement Board in latter part of preceding month.

⁶ Transfer of \$3,730 balance from 1935 act appropriation shown on Daily Statement of the U. S. Treasury in June was taken account of in prior fiscal year on books of the Railroad Retirement Board.

Source: Railroad Retirement Board, Bureau of General Control, Division of Finance.

ceeded those of last year by \$12.8 million and exceeded total Federal receipts by \$283.7 million. This excess was reflected in the \$269.0 million rise in the public debt, which totaled \$41.3 billion as of November 30. Approximately 68.8 percent or \$185.0 million of this rise represents increases in special obligations held by the old-age reserve account and the unemployment trust fund.

Railroad Retirement Account

During November \$10 million was transferred to the trust fund of the railroad retirement account from the appropriation and in turn deposited with the disbursing officer for benefit payments. Total investments remained at \$77.2 million. No 3-percent Treasury notes were acquired or sold during November. Benefit payments issued by the disbursing officer totaled \$9.4 million, leaving \$15.0 million in cash held by

the disbursing officer at the end of the month. The small balance of a few thousand dollars in the trust fund at the end of October increased slightly as a result of cancelations and repayments. Total assets of the railroad retirement account, consisting of cash with the disbursing officer, the balance in the trust fund, and investments in Treasury notes, but not including the appropriation balance, amounted to \$92.2 million at the end of November. The appropriation balance was \$64.3 million; \$67.2 million has been transferred from the appropriation to the trust fund during the current fiscal year.

Old-Age Reserve Account

Table 6 shows the status of the old-age reserve account as of November 30, 1939. During November \$43.0 million was transferred from the appropriation to the account, an amount equal

Table 6.—Status of the old-age reserve account, by fiscal years, 1936-39, and by months, July 1938–November 1939

Fiscal year and month	Transfers from appropriations to account	Interest received by account	3-percent special Treasury notes acquired	Deposits with disbursing officer for benefit payments	Collections of improper payments ¹	Benefit payments	Cash with disbursing officer at end of period	Amount available for benefit payments ²	Unexpended balance in appropriations ³	Total assets
Cumulative through November 1939	\$1,375,000,000	\$44,625,099	\$1,392,200,000	\$27,361,811	\$4,543	\$24,426,268	\$2,930,997	\$1,395,130,997	\$330,067,833	\$1,725,198,830
Total, 1936-37	265,000,000	4,261,811	267,100,000	100,000		26,969	73,031	267,173,031	61,811	267,234,842
Total, 1937-38	387,000,000	15,412,233	395,200,000	7,361,811	159	5,404,063	1,930,620	664,230,620	113,012,391	777,243,012
Total, 1938-39	503,000,000	26,951,055	514,900,000	15,000,000	2,677	13,891,583	3,036,361	1,180,236,361	66,122	1,180,302,483
1938										
July	38,000,000		38,000,000	0	134	779,513	1,150,973	701,450,973	435,012,525	1,136,463,498
August	38,000,000		38,000,000	5,000,000	267	826,495	5,324,211	738,624,211	397,012,792	1,135,637,003
September	33,000,000		33,000,000	0	547	853,255	4,470,409	770,770,409	364,013,339	1,134,783,748
October	32,000,000		32,000,000	0	82	1,073,918	3,396,410	801,696,410	332,013,421	1,133,709,831
November	32,000,000		32,000,000	0	215	1,023,045	2,373,149	832,673,149	300,013,636	1,132,686,785
December	32,000,000		32,000,000	0	219	1,077,369	1,295,561	863,596,561	268,013,555	1,131,609,416
1939										
January	37,000,000		32,000,000	5,000,000	247	1,121,312	5,174,002	599,474,002	231,014,102	1,130,488,104
February	30,000,000		30,000,000	0	81	1,155,340	4,018,582	948,318,582	181,014,182	1,129,332,764
March	30,000,000		30,000,000	0	90	1,443,529	2,574,963	996,874,963	131,014,272	1,127,889,235
April	55,000,000		50,000,000	5,000,000	264	1,382,953	6,191,806	1,050,491,806	76,014,476	1,126,506,282
May	50,000,000		50,000,000	0	268	1,677,193	4,514,348	1,098,814,347	56,014,742	1,154,829,089
June	56,000,000	26,951,055	82,900,000	0	325	1,477,061	3,036,361	1,180,236,361	66,122	1,180,302,483
Total, 1939-40 through November	220,000,000		215,000,000	5,000,000	1,711	5,103,653	2,930,997	1,395,130,997	330,067,833	1,725,198,830
July	43,000,000		43,000,000	0	416	1,426,546	1,600,100	1,221,809,101	507,066,537	1,728,875,638
August	48,000,000		43,000,000	5,000,000	104	1,284,241	5,324,755	1,268,524,755	459,066,641	1,727,591,396
September	43,000,000		43,000,000	0	115	994,071	4,630,569	1,310,830,569	416,066,757	1,726,897,326
October	43,000,000		43,000,000	0	462	861,614	3,768,493	1,352,938,493	373,067,219	1,726,005,712
November	43,000,000		43,000,000	0	614	836,881	2,930,997	1,395,130,997	330,067,833	1,725,198,830

¹ For fiscal year 1936-37, \$265 million was appropriated to old-age reserve account; for 1937-38, \$500 million; for 1938-39, \$560 million plus additional \$30 million made available by 1940 Treasury Department Appropriation Act; and for 1939-40, \$550 million.

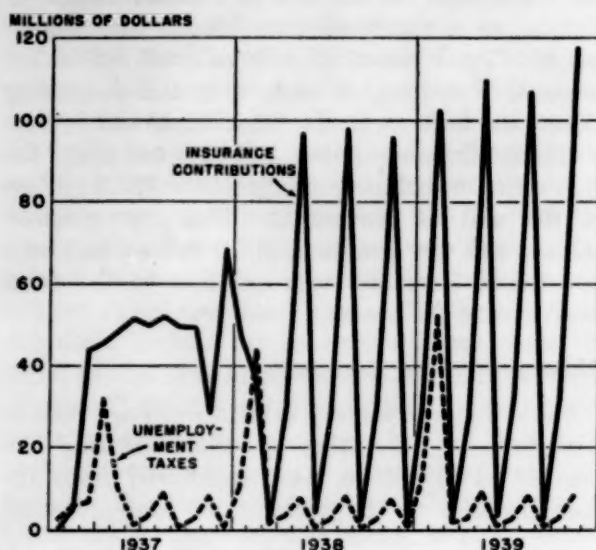
² Collections of improper payments made to claimants have been transferred to appropriation balance.

³ Represents investments in Treasury notes and cash with disbursing officer.

⁴ \$61,811 of interest earned during the first 6 months of 1937 was held as an appropriation balance until July 1937, at which time it was transferred to disbursing officer.

Source: Compiled from data in the Daily Statement of the U. S. Treasury.

Chart I.—Federal insurance contributions and Federal unemployment taxes, by months, January 1937–November 1939



Source: Daily Statement of the U. S. Treasury.

to the transfers in each of the 2 preceding months and \$11.0 million more than was transferred in November 1938. Because of the small number of claims for lump-sum benefit payments, for the third successive month no cash was deposited with the disbursing officer. Lump-sum payments, which consisted chiefly of payments to the estates of individuals who had died, in November totaled \$837,000 and were slightly lower than October payments. The 1939 amendments to the Social Security Act discontinued lump-sum payments to individuals who attained age 65 and left the way open for workers who might have been eligible for lump-sum payments to qualify instead for monthly benefits.

Total assets of the reserve account as of November 30 amounted to \$1,725.2 million, of which \$1,392.2 million was invested in 3-percent special Treasury notes, \$330.1 million was held as an appropriation balance, and \$2.9 million was held in cash with the disbursing officer.

At the time of publication of this issue of the Bulletin, several changes in the operation of the old-age and survivors insurance program will have taken place, as a result of the 1939 amendments to the Social Security Act. Beginning January 1, 1940, qualified individuals became

entitled to monthly benefits, although checks were not issued until February 1. On January 1, 1940, the assets of the old-age reserve account were transferred to the Federal old-age and survivors insurance trust fund, the operation of which was described in the December Bulletin.

After December 1939 special obligations issued to the trust fund are not required to yield 3-percent interest. In accordance with the Social Security Act Amendments of 1939 they will bear a rate equal to the average rate on the public debt outstanding at the end of the month next preceding the date of issue, except that if the average rate is not a multiple of $\frac{1}{8}$ of 1 percent the rate on special obligations acquired must be that multiple of $\frac{1}{8}$ of 1 percent next lower than the average rate. Any special obligations acquired by the old-age and survivors insurance trust fund in January will yield 2.5 percent as indicated in chart II.

For the period in which the Social Security Act has been in operation the computed rate has ranged between 2.5 and 2.6 and has always been within $\frac{1}{8}$ of 1 percent of 2.5. Not until the rate reaches 2.625 or falls to 2.375 will there be a change in rate on special obligations acquired by the old-age and survivors insurance trust fund or unemployment trust fund.

The computed rate is determined as follows: The par value of all securities forming part of the interest-bearing public debt including special obligations is multiplied by the interest rate on the par value to compute the annual interest charge on the debt. The annual interest charge is then divided by the total interest-bearing debt to obtain the computed rate of interest.

Two factors, therefore, determine the computed rate: (1) the composition of the public debt, i. e., the proportion of bonds, notes, and bills; and (2) the interest rate on the par value of the obligations outstanding. The monthly variations in the computed rate arise from new financing and refunding.

At the end of November the interest-bearing debt amounted to \$40.8 billion, of which 69.4 percent was bonds, 17.7 percent notes, 3.6 percent bills, and 9.3 percent special obligations. During the past few years the Treasury has gradually shifted from short-term obligations to bonds in

Table 7.—Federal grants to States under the Social Security Act: Checks issued by the Treasury Department in the fiscal years 1938-39 and 1939-40¹

[In thousands]

State	Fiscal year 1938-39, total grants	Fiscal year 1939-40 through November								
		Total grants	Federal Security Agency				United States Public Health Service	Department of Labor		
			Social Security Board					Children's Bureau		
			Old-age assistance	Aid to dependent children	Aid to the blind	Unemploy- ment com- pensation adminis- tration ¹		Public- health work	Maternal and child- health services	Services for crippled children	Child- welfare services
Total, all participating States.....	\$321,085.3	\$156,291.3	\$99,211.6	\$15,967.0	\$2,587.2	\$30,503.8	\$3,990.1	\$1,915.6	\$1,430.0	\$676.9
Alabama.....	2,308.1	1,105.7	407.7	133.5	10.3	296.0	142.3	56.5	38.8	20.5
Alaska.....	304.5	160.8	82.9	(²)	(²)	23.4	19.0	23.6	5.8	6.1
Arizona.....	2,017.7	953.7	564.4	146.1	22.7	126.0	30.7	36.0	15.0	12.6
Arkansas.....	1,618.9	794.7	334.8	74.6	14.2	195.8	85.7	35.2	34.4	19.9
California.....	27,847.0	15,818.3	12,008.9	880.7	628.0	2,095.8	119.8	48.2	15.9	21.4
Colorado.....	7,214.4	3,719.2	3,042.0	309.5	52.4	224.2	28.3	27.0	27.0	8.0
Connecticut.....	3,824.9	2,031.8	1,318.5	(²)	11.6	598.5	52.9	24.7	15.5	10.1
Delaware.....	525.4	255.5	78.1	29.1	(²)	106.3	15.9	15.9	2.6	7.6
District of Columbia.....	1,267.9	665.2	261.6	74.8	17.3	248.5	35.1	17.0	6.6	4.2
Florida.....	3,929.9	2,052.3	1,379.4	130.9	89.4	306.7	78.9	30.3	25.7	11.0
Georgia.....	3,314.0	1,384.5	530.5	156.8	27.3	398.3	137.0	71.7	39.4	23.5
Hawaii.....	532.9	274.6	63.0	71.3	2.8	71.8	31.0	19.2	9.6	5.8
Idaho.....	2,015.1	815.6	458.6	127.4	15.9	134.7	34.9	22.7	13.1	8.5
Illinois.....	15,678.9	10,336.9	8,369.0	(²)	(²)	1,618.1	153.6	72.6	98.4	23.1
Indiana.....	10,072.8	5,088.8	2,994.4	519.1	128.9	946.2	102.4	34.2	38.7	24.8
Iowa.....	7,899.8	3,307.9	2,722.2	(²)	100.6	329.8	88.2	28.8	28.5	9.7
Kansas.....	4,323.9	1,900.4	1,209.4	296.5	56.1	198.9	61.1	52.5	7.7	18.1
Kentucky.....	3,269.1	1,834.8	1,221.8	(²)	(²)	380.2	123.6	40.4	49.8	19.1
Louisiana.....	4,321.6	1,934.5	825.8	549.0	32.5	375.8	85.9	47.9	17.5	(³)
Maine.....	2,713.7	1,163.3	706.7	83.7	72.5	232.6	31.2	25.0	6.8	4.8
Maryland.....	4,280.9	1,879.3	787.7	474.4	36.4	453.1	61.9	33.2	30.1	12.7
Massachusetts.....	19,177.3	8,166.0	5,722.8	510.9	65.0	1,679.9	121.1	34.0	29.7	2.5
Michigan.....	13,690.3	6,780.5	4,020.2	869.7	53.8	1,007.3	140.7	42.3	51.0	5.4
Minnesota.....	11,253.7	4,785.7	3,552.6	419.0	54.4	593.4	84.9	33.9	30.6	17.0
Mississippi.....	1,575.9	785.8	389.0	(²)	11.7	176.9	116.3	46.7	15.4	30.0
Missouri.....	10,860.5	5,074.7	3,801.2	377.2	(²)	722.1	73.6	32.9	46.4	21.3
Montana.....	2,208.3	938.4	583.6	111.1	8.1	156.0	26.7	28.8	16.8	7.3
Nebraska.....	4,091.6	1,572.8	1,064.8	215.1	29.3	183.3	34.3	14.8	19.8	11.6
Nevada.....	566.1	292.4	182.6	(²)	(²)	74.5	14.0	15.8	8.8	4.7
New Hampshire.....	1,104.9	588.3	321.6	39.3	21.8	148.5	33.2	11.4	5.1	7.4
New Jersey.....	6,862.1	3,931.8	1,823.8	563.8	45.9	1,315.5	89.9	37.7	42.1	13.2
New Mexico.....	839.2	398.7	129.1	66.9	8.2	88.8	38.9	42.1	16.8	7.9
New York.....	30,902.8	13,558.0	6,658.8	2,154.4	165.8	4,201.4	226.5	88.7	53.6	8.9
North Carolina.....	4,553.0	2,094.7	952.3	242.3	78.3	518.9	153.8	59.9	54.4	24.8
North Dakota.....	1,456.1	678.1	387.6	110.8	5.9	86.2	37.7	19.4	21.5	8.9
Ohio.....	19,589.5	9,524.7	6,967.5	681.5	206.1	1,366.6	168.6	67.0	40.7	26.6
Oklahoma.....	9,465.1	4,368.0	3,359.2	405.9	93.9	328.2	85.0	44.5	36.9	14.4
Oregon.....	3,656.3	1,709.2	1,139.1	114.7	30.8	328.9	28.3	26.0	32.4	8.9
Pennsylvania.....	22,221.6	11,403.5	5,101.7	2,664.4	(²)	3,297.3	213.6	57.7	54.0	14.7
Rhode Island.....	1,808.7	814.9	331.7	77.5	(²)	343.6	32.3	14.7	8.7	6.5
South Carolina.....	2,340.9	1,273.9	614.1	131.7	30.2	278.9	112.4	53.2	35.0	18.3
South Dakota.....	2,531.8	771.7	625.7	(²)	10.8	54.1	33.7	23.3	14.4	9.7
Tennessee.....	4,083.8	1,991.8	1,002.5	326.4	47.2	401.0	121.2	45.3	25.4	22.7
Texas.....	11,843.9	5,159.5	3,739.8	(²)	(²)	1,040.5	170.9	98.8	81.2	28.3
Utah.....	2,756.4	1,172.3	766.2	171.3	13.6	149.0	31.1	19.2	11.0	11.0
Vermont.....	877.9	419.5	220.8	30.2	10.0	94.2	23.5	25.4	8.1	7.2
Virginia.....	1,954.7	1,184.6	426.8	90.0	30.1	419.3	111.5	44.5	43.0	19.4
Washington.....	7,352.7	3,174.9	2,288.0	279.2	79.7	428.5	43.9	17.3	26.2	12.0
West Virginia.....	3,551.8	1,517.2	621.2	260.9	36.4	463.0	41.3	53.4	27.2	13.8
Wisconsin.....	8,797.1	4,333.4	2,858.2	663.8	120.6	514.3	59.2	39.0	59.3	19.0
Wyoming.....	729.7	358.4	191.6	41.6	10.7	83.4	11.3	14.2	5.7	(²)

¹ Excludes Federal funds for vocational rehabilitation under title V, pt. 4, which are not segregated from other Federal funds provided for similar purposes.

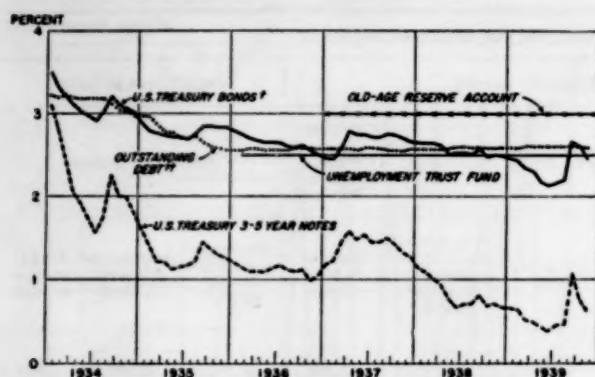
² Includes grants certified by the Social Security Board to States for employment service administration to meet requirements of unemployment compensation program; as of Nov. 30, 1939, such grants had been made to all 48 jurisdictions.

³ No plan approved by the Social Security Board.

⁴ No plan approved by the Chief of the U. S. Children's Bureau.

Source: Compiled from data furnished by the U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits.

Chart II.—Average yields on United States obligations and the computed rate of interest on the public debt, by months, January 1934–November 1939



† All Treasury bonds except those due or callable within 12 years.
 ‡ Computed rate of interest on the interest-bearing debt outstanding in the United States.

the attempt to restore the balance between short and long-term obligations disturbed by the unusual volume of short-term financing in 1933 and 1934.

The interest rate on the par value of publicly offered securities varies with the length of time between the dates of issue and maturity and with the conditions of the market at the time of issue. The rates on special obligations are determined by special factors and are not subject to the same influences as other debt items. It is only through new financial operations that the computed rate of interest on the public debt responds to current market conditions.

One measure of the conditions of the market for Government securities is the yield on bonds and notes. Chart II indicates a decline in yield as a composite result of several factors, but particularly of business conditions, investor preference, and Government credit policy. This decline has been reflected only slowly in the computed rate on the public debt, so that the rate obtained on special obligations based upon the computed rate has tended in general to be higher than that which would have been obtained had regular obligations eligible as investments for both social security funds been acquired on the open market.

From April through August 1939 no regular issues of direct Government obligations or obligations guaranteed as to principal and interest by the United States were selling on any day during

the month at a market price which would have earned to call date the 2.5 percent paid on special obligations. The call-yield figure is indicated because the Treasury in administering investments of other trust funds has determined its investments on yield to call. In September, with the outbreak of the European war, the price of Government bonds fell sharply. As a result 10 series of direct Government obligations and one series of guaranteed obligations were selling at a price yielding 2.5 percent or over to call. With the sharp rally from the low September prices yields declined. By October only 4 series were selling at a price yielding 2.5 or over on any day during the month.

General Economic Conditions

The general upswing in domestic business activity continued during November with a resultant rise in employment and pay rolls. Industrial production, as reported in the Federal Reserve Board adjusted index, almost reached the 1929 peak of 125. An increase of 3 points over the October level of 121 was reported. The rise in steel-ingot production accounts in part for this increase; production in that industry reached the record level of 94.4 percent of capacity at the end of November. Steel-ingot production was also the primary cause of the rise in the durable-goods component of the production index, which increased from 123 to 130 during the month. The nondurable-goods index declined 1 point to 118. Minerals rose 3 points to 124. Automobile production rose from 78 to 91 during the month, and the settlement of the Chrysler strike made possible a further increase in December.

The adjusted index of the value of construction contracts awarded, based on a 3-month moving average of F. W. Dodge Corporation data, showed a more than seasonal decline from 76 in October to 72 in November.

Nonagricultural employment also rose during November. Factory employment, most of which is covered by the social security program, showed a decline of 1.8 percent in November, mainly attributable to decreases in the canning and apparel industries. After adjusting for seasonal decreases in these industries there was a gain of 2.2 points in November in the adjusted index of

factory employment computed by the Federal Reserve Board; the Bureau of Labor Statistics unadjusted index increased only 0.2 points. The unadjusted index of factory pay rolls rose from

101.6 to 101.8. Employment in retail trade increased seasonally 1.3 points to 89.8; pay rolls rose from 74.2 to 74.8. Employment and pay rolls in wholesale trade remained approximately

Table 8.—Estimates of the number of unemployed persons, January 1929–October 1939

(In thousands)

Year and month	Alexander Hamilton Institute	American Federation of Labor	National Industrial Conference Board	Robert Nathan	Year and month	Alexander Hamilton Institute	American Federation of Labor	National Industrial Conference Board	Robert Nathan
1929					1934—Continued				
January	4,204	3,090		3,140	June	12,021	11,714	9,277	9,247
February	4,105	3,119		3,224	July	12,418	12,222	9,898	9,437
March	3,801	2,880		2,685	August	12,373	12,362	10,086	9,709
April	3,522	2,043		1,890	September	12,673	12,429	10,232	9,909
May	3,418	1,447		1,504	October	12,353	12,213	10,597	9,441
June	3,286	1,214		1,253	November	12,556	12,581	11,211	9,878
July	3,197	1,064		960	December	12,102	12,359	11,086	10,039
August	2,851	1,064		898	1935				
September	2,798	614		217	January	12,659	11,095	11,234	10,435
October	2,881	910		1,647	February	12,283	11,419	10,777	10,291
November	3,549	1,949		2,738	March	12,018	11,233	10,395	9,973
December	3,923	2,629			April	11,804	10,876	9,942	9,451
1930					May	11,902	10,819	9,572	9,208
January	5,262	3,919	3,144	4,035	June	11,924	10,758	9,168	8,971
February	5,068	4,286	3,426	4,481	July	11,983	10,759	9,018	8,960
March	5,813	4,323	3,338	4,450	August	11,649	10,492	8,947	8,661
April	5,860	4,049	2,932	4,014	September	11,127	10,031	8,640	8,437
May	6,072	3,756	2,433	3,886	October	10,792	9,775	8,729	8,088
June	6,526	3,905	2,331	3,896	November	10,909	9,961	8,737	8,315
July	7,248	4,441	3,253	4,152	December	10,499	10,007	9,090	8,389
August	7,244	4,919	3,764	4,663	1936				
September	7,659	4,983	3,671	4,829	January	11,464	10,952	9,434	9,088
October	7,880	5,525	4,529	5,054	February	11,374	10,862	9,479	9,509
November	8,529	6,293	6,080	5,900	March	11,019	10,482	8,883	9,047
December	8,877	6,841	6,802	6,397	April	10,534	9,819	8,346	8,125
1931					May	10,388	9,555	7,705	7,792
January	10,063	8,169	7,923	7,648	June	10,318	9,419	7,296	7,449
February	10,349	8,274	8,179	8,120	July	10,179	9,381	7,034	7,292
March	10,340	8,133	7,838	7,872	August	9,771	9,027	6,393	7,147
April	10,158	7,815	7,270	7,466	September	9,151	8,498	6,294	6,730
May	10,245	7,811	6,890	7,393	October	8,870	8,176	6,521	6,349
June	10,512	7,894	6,850	7,403	November	8,846	8,287	6,676	6,828
July	10,984	8,267	7,483	7,606	December	8,188	8,274	7,120	6,727
August	11,266	8,760	7,948	8,002	1937				
September	11,292	8,846	7,838	8,135	January	9,250	9,241	7,574	8,076
October	11,558	9,484	8,682	8,423	February	8,764	8,960	7,507	7,655
November	12,220	10,410	9,931	9,275	March	8,338	8,604	6,865	7,210
December	12,265	10,889	10,522	10,067	April	8,130	8,313	6,431	6,768
1932					May	7,959	7,909	5,585	6,430
January	13,425	11,926	11,397	10,905	June	7,964	7,824	5,441	6,277
February	13,574	12,169	11,670	10,905	July	7,974	7,782	5,155	6,133
March	13,792	12,387	11,859	11,229	August	7,802	7,746	5,134	6,171
April	14,254	12,519	11,982	11,299	September	7,618	7,513	5,066	6,145
May	14,741	13,004	12,069	11,483	October	7,883	7,706	5,091	6,145
June	15,216	13,373	12,321	11,725	November	8,977	8,479	7,175	7,177
July	15,757	13,793	12,906	11,900	December	9,671	9,307	8,841	8,088
August	15,667	13,968	12,941	12,129	1938				
September	15,128	13,458	12,469	11,804	January	11,830	10,926	10,328	10,265
October	14,855	13,415	12,961	11,481	February	12,046	11,123	10,687	10,343
November	15,182	13,925	13,404	11,988	March	12,122	11,226	10,721	10,334
December	15,170	14,240	13,768	12,531	April	12,159	11,065	10,680	10,068
1933					May	12,719	11,404	10,754	10,191
January	16,103	15,166	14,262	13,390	June	12,903	11,446	10,352	10,255
February	16,047	15,319	14,535	13,488	July	12,932	11,274	10,347	9,859
March	16,467	15,653	14,762	13,808	August	12,414	11,087	10,023	9,725
April	16,018	15,125	14,410	13,345	September	11,704	10,465	9,314	9,331
May	15,667	14,615	13,891	12,849	October	11,487	10,371	9,244	9,046
June	14,858	13,843	13,025	12,084	November	11,317	10,515	9,429	9,324
July	14,120	13,458	12,377	11,571	December	10,601	10,235	9,304	9,615
August	13,239	12,662	11,475	10,975	1939				
September	12,388	11,854	10,647	10,394	January	11,754	11,590	10,012	11,029
October	12,261	11,842	10,796	9,993	February	11,689	11,444	10,105	10,856
November	12,735	12,374	11,248	10,494	March	11,420	11,145	9,800	10,615
December	12,824	12,780	11,500	10,913	April	11,724	11,091	9,995	10,398
1934					May	11,740	10,852	9,382	9,860
January	13,528	13,382	11,544	11,469	June	11,412	10,363	8,933	9,334
February	12,904	12,964	11,200	10,968	July	11,493	10,305	9,384	9,649
March	12,255	12,420	10,213	10,427	August	11,136	10,132	8,838	9,274
April	11,987	12,004	9,965	9,920	September	10,388	9,451	8,196	8,605
May	11,858	11,711	9,484	9,528	October	9,827	9,221	8,149	8,537

the same. Most of the service industries and public utilities recorded small decreases in employment and pay rolls.

The adjusted index of income payments of the Department of Commerce rose from 88.1 in October to 88.8 in November, and the index of compensation of covered employees increased from 79 in October to 82 in November.

Chart III shows the four series of unemployment estimates through October. The occupational composition of the four series is indicated in a detailed description given in the June Bulletin (pp. 79-84). These series presented in table 8 are prepared by various individuals and organizations based on data from the 1930 census, the unemployment census of 1937, and employment indexes of the Bureau of Labor Statistics and other government agencies. Since the Bureau of Labor Statistics recently adjusted its indexes of employment to conform to the 1937 Census of Manufactures, a revision of all the unemployment series is to be expected in the near future. Both the Alexander Hamilton Institute and National Industrial Conference Board have already revised their figures with the result that the figures are lower than the original series. It will be noted that the Nathan figure for October is higher than the September estimate, in spite of the industrial expansion taking place at that time. The other three estimates moved in the opposite direction during October. The divergence is due to the weight given to agricultural unemployment in the Nathan series. The October decline in manufacturing unemployment was more than offset by the usual seasonal decline in agricultural employment.

The expansion of purchasing power resulting from increased employment received an additional impetus during December, when annual dividends totaling approximately \$1 billion were paid as compared with \$600 million in December 1938. Christmas bonuses indicated another large increase in purchasing power at the end of the year. While dividend payments and bonuses, because of their concentration in a single month, cannot be expected to have a permanent effect, they may serve to initiate a wave of buying which in turn will affect production and employment.

Purchasing power in the United States has increased with the rises in industrial indexes described

in this section. The increase in income payments has been paralleled by a more than seasonal increase in the adjusted index of department-store sales, which rose from 90 in October to 94 in November, about the same as at the peak in 1937, when prices of commodities sold at department stores were generally somewhat higher.

In addition to the expansion of domestic purchasing power, a backlog of potential buying power for American goods exists in the European assets held in this country. Whereas higher employment and pay-roll figures indicate increased demand for consumption goods, foreign expenditures tend to be used for capital expenditures. So far, war orders from belligerents remained at a moderate level, except for airplane purchases. It is believed, however, that assets held in the United States by belligerents include a large proportion of their more readily disposable resources—gold, short-term balances, and marketable securities. It is estimated that at the end of August the British Empire and France had almost half of all foreign holdings of gold, dollar balances, and American securities (excluding direct investments in the United States) amounting to \$8,440 million. Germany held \$160 million. Although approval of the Neutrality Act closed the American capital markets to belligerent governments, the dollar value of disposable assets held here is much higher than in 1914.

There was a decrease in United States exports during the month, primarily because of reduced cotton and vegetable-food shipments.

In financial markets, the action of the bond market is noteworthy. During November prices of United States Government and high-grade corporation bonds rose to within a few points of the all-time high. The Dow-Jones index of bond prices, at 90.30 in the first week of November, decreased to 89.52 at the end of the month. The Dow-Jones index of industrial stock prices declined 5.10 points during November to 147.11 for the week ending December 2, and trading was sluggish.

Wholesale commodity prices for the last week in November, as indicated by the Bureau of Labor Statistics index, were 0.6 percent below the first week of the month. The figure for the last week of November was 5.3 percent higher than for the week ended August 26, which imme-

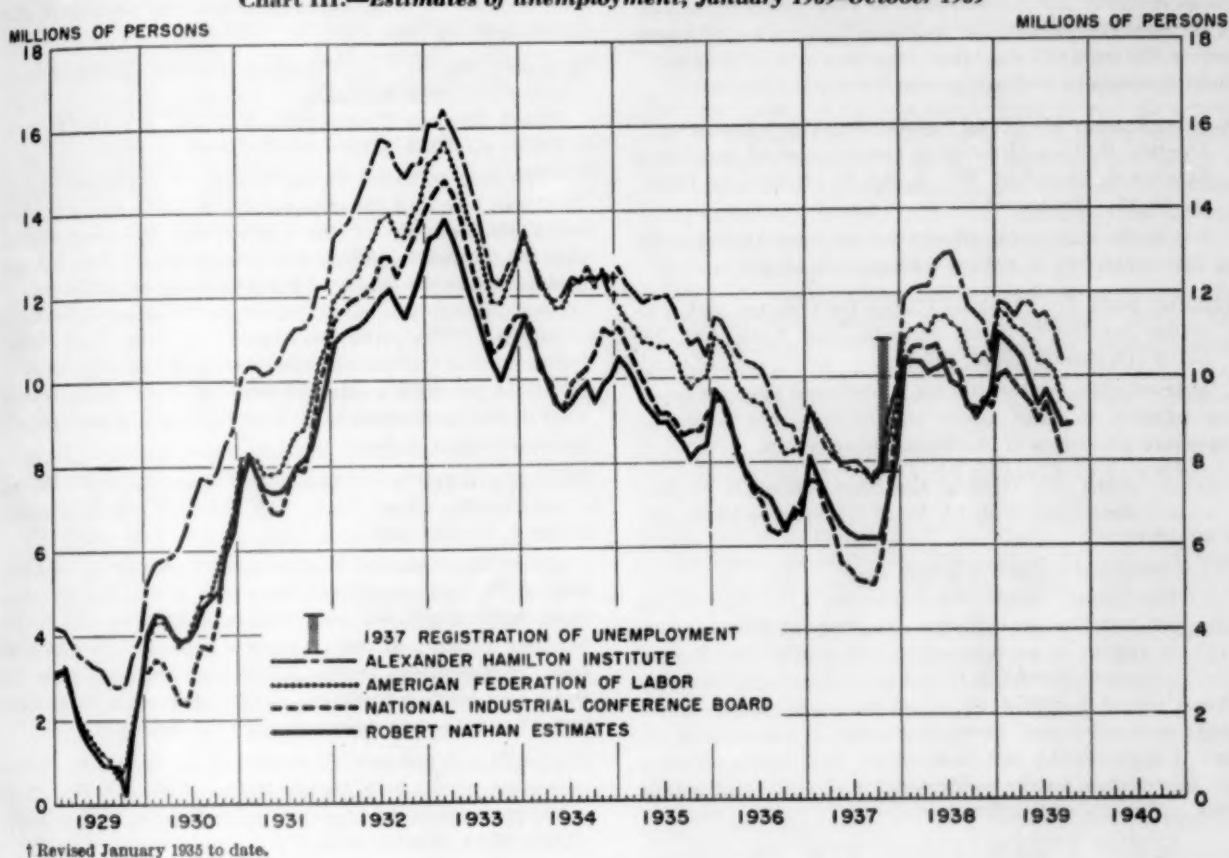
diately preceded the outbreak of the European War. The Bureau's index of retail food prices also declined during the month.

The Department of Agriculture index of prices received by farmers remained at 97 in November, and the unadjusted combined index of agricultural marketings, compiled by the Department of Commerce, also declined. Moody's index of spot commodity prices declined steadily through the

month, from 163.5 in the first week of November to 159.8 in the week ending December 2.

The continuation of the present industrial expansion points toward a lessened drain on unemployment insurance funds. Moreover, constantly increasing employment will be reflected in the next quarterly period in higher Federal tax collections for old-age insurance and a rise in State contributions for unemployment compensation.

Chart III.—Estimates of unemployment, January 1939–October 1939



RECENT PUBLICATIONS IN THE FIELD OF SOCIAL SECURITY

GENERAL

ALTMAYER, ARTHUR J. "The Significance of the Social Security Amendments." *Catholic Charities Review*, Washington, Vol. 23, No. 9 (November 1939), pp. 277-279.

A summary of the major changes brought about by the Social Security Act Amendments of 1939 and a discussion of the need still existing for "provision against loss of wages during the worker's disability from nonindustrial causes" and for adequate medical care for low-income families.

BOHON, ELBERT M. "Old Age and Survivor's Insurance." *Monthly Bulletin* (Kentucky Department of Industrial Relations), Frankfort, Vol. 1, No. 11 (November 1939), pp. 10-11. Processed.

A brief discussion of the Social Security Act Amendments of 1939 pertaining to old-age and survivors benefits.

CORSON, JOHN J. "Making Claims for Old-Age and Survivors Benefits." *Social Security*, New York, Vol. 13, No. 9 (December 1939), pp. 3-4.

A description, with examples, of different types of benefits payable in 1940 under the old-age and survivors insurance provisions of the Social Security Act.

CORSON, JOHN J. "Telling the Staff About It." *Personnel*, New York, Vol. 16, No. 2 (November 1939), pp. 69-72.

The introduction to this article says:

"While annual reports to employees have become an accepted practice in industry, for Federal bureaus this type of report is an innovation. Recently the Bureau of Old-Age and Survivors Insurance of the Social Security Board issued a special report of accomplishments to its staff—a concise and interesting over-all account of its activities during the past fiscal year. This highly effective job of reporting has been described in the following article by the Director of the Bureau."

CORSON, JOHN J., and WILLIAMSON, W. R. "History and Development of Social Security." *The Spectator*, Philadelphia, Vol. 143, No. 11 (Nov. 23, 1939), pp. 6-9 ff.; No. 12 (Dec. 7), pp. 6-9.

This review of the old-age and survivors insurance program begins with the 1935 act, discusses the principles adopted in establishing old-age insurance, and describes administrative experience under the program. The legislative history of the 1939 amendments is traced, and the new benefit formulas explained. Part II deals with maritime, agricultural, and domestic labor, as well as employees of charitable and educational institutions. It also considers the financial, actuarial, and theoretical phases of the present system.

EPSTEIN, ABRAHAM. "Government's Responsibility for Economic Security." *Annals of the American Academy*

of Political and Social Science, Philadelphia, Vol. 206 (November 1939), pp. 81-85.

A discussion of the advantages and limitations of social insurance, with a comparison of British and German methods of providing insurance revenues. The English use of governmental contributions is regarded as superior, and application is made to the financial aspects of the Social Security Act.

GODDARD, JENNIE C. "Comparison of Occupational Class and Physicians' Estimate of Economic Status." *Public Health Reports*, Washington, Vol. 54, No. 49 (Dec. 8, 1939), pp. 2159-2165.

"The data collected during a study of maternal care in Michigan provided the opportunity to make a comparison for 10,000 families of the distribution by occupational class of the head, derived from birth certificates, against that by economic status of the family, as reported by the person signing the birth certificate" (nearly always a physician). The paper, illustrated with tables and charts, indicates that "in the absence of a more exact measure of ability to purchase goods and services . . . occupational class of the head seems to be a useful index of the family's social-economic status."

HOEHLER, FRED K. "The Merit Amendment." *Survey Midmonthly*, New York, Vol. 75, No. 12 (December 1939), pp. 363-364.

Describes personnel standards in State social security administrations as discussed at a recent meeting of seven State welfare officials with representatives of the Social Security Board and the Children's Bureau. Problems of cost, interpretation to the public, merit-system tests for those now holding positions, and integration with existing State functions are among the points considered.

HÖJER, A.; JERNEMAN, T.; and WANGSON, O. R. *Some Aspects of Swedish Social Welfare*. Stockholm, 1939. 102 pp. (Published by the Royal Swedish Commission, New York World's Fair.)

A booklet containing three studies reprinted from the *Annals of the American Academy of Political and Social Science*, for May 1938. Dr. Höjer's contribution deals with Public Health and Medical Care; Mr. Wangson writes on Maternal and Child Welfare; and Mr. Jerneman discusses Social Insurance in Sweden, including insurance against sickness, industrial accidents, invalidity and old age, dependency in childhood, and unemployment.

MONTAVON, WILLIAM F. "Social Security Legislation and the Charitable Hospital." *Hospitals*, Chicago, Vol. 13, No. 12 (December 1939), pp. 13-17.

Presents the point of view that employees of charitable hospitals should be included in old-age benefit coverage without altering the present tax-exempt status of the institutions and without extending unemployment compensation to them.

POTNEY, BRYANT. "Liberalization of the Social Security System." *Editorial Research Reports*, Washington, Vol. 2, No. 21 (Dec. 2, 1939), pp. 399-416 (entire issue).

A summary of State, Federal, and private proposals for revision of public assistance, old-age insurance, and unemployment compensation programs.

ROBINSON, GEORGE BUCHAN. "Our Weak Financial Condition for War and Its Bearing on the Old-Age Reserve Problem." *The Annalist*, New York, Vol. 54, No. 1401 (Nov. 23, 1939), p. 660.

A brief note on the old-age reserve in which the author declares that a possibility of war, even in the distant future, is "an additional reason to reconsider the old-age security matter at once, before the unconfessed deficits of the system become too large."

ROCCA, J. C. "Social Security in Italy." *American Federationist*, Washington, Vol. 46, No. 12 (December 1939), pp. 1303-1312.

A description of social insurance in Italy covering invalidity and old-age, unemployment, maternity, tuberculosis, and health insurance, and workmen's compensation. In addition to facts on coverage, contributions, and benefits, the survey includes statistical data covering a 10-year period for most of the systems. The provisions of the important modifications of April 14, 1939, are given.

"Social Security Board Adopts Minimum Standards for Merit Systems." *The Compass*, Albany, Vol. 21, No. 3 (December 1939), pp. 3-4.

Excerpts and summaries from the Social Security Board's minimum standards for a merit system of personnel administration. The standards were issued in November to State employment security and public-assistance agencies.

U. S. OFFICE OF GOVERNMENT REPORTS. *United States Government Manual, October 1939*. Washington: U. S. Government Printing Office, 1939. 551 pp.

The *United States Government Manual* (originally issued in loose-leaf form) has changed its form and will now appear three times annually, in October, February, and May. "It is designed as a reference book to provide source material that will answer questions concerning the authority for and the organization and procedure of the Federal agencies and institutions. Each section has been approved by the head of the department or agency concerned." It contains information on changes effected by the Reorganization Act of 1939, and thus gives the current status of all security and welfare agencies of the Federal Government.

WEYBRIGHT, VICTOR. "When Life Comes First." *Survey Graphic*, New York, Vol. 28, No. 12 (December 1939), pp. 735-737.

Described as "some notes after an interview with the first federal coordinator of insurance, health, welfare and educational services," this article discusses the former and present work of Paul V. McNutt, Federal Security Administrator. Particular mention is made of the status of

public opinion for wider medical care and of the various possibilities for early action in this field.

"What Is Permanent Disability?" *Current Legal Thought*. New York, Vol. 6, No. 1 (October 1939), pp. 53-54.

A discussion of *Wright v. Metropolitan Life Insurance Company* (58 Ohio App. 83 (1937)) and other cases which indicate that "permanent" in certain insurance policies means "indefinite and for an indeterminate time." Abstracted from the *Ohio State University Law Journal*, March 1939.

YODER, DALE. *Labor Economics and Labor Problems*. 2d ed. New York and London: McGraw-Hill, 1939. 669 pp.

The second edition of this college text on labor problems includes three chapters on unemployment and its prevention or relief, a chapter on aged workers, and a discussion of industrial health and safety. Relevant provisions of the Social Security Act of 1935 and of State workmen's compensation acts are summarized and analyzed in terms of their purpose and probable or actual effects. The different types of unemployment are discussed, and are related to various measures to combat them, including vocational rehabilitation, work relief, public works, and public employment offices, as well as unemployment compensation. Each chapter contains questions and exercises and carefully selected supplementary readings.

HEALTH AND MEDICAL CARE

ARMSTRONG, BARBARA N. *The Health Insurance Doctor; His Role in Great Britain, Denmark, and France*. Princeton: Princeton University Press, 1939. 264 pp.

The author remarks that in the United States "controversy regarding health insurance tends to center about the doctor's position in the scheme" and suggests that "basic information about the situation of the health insurance doctor abroad therefore seems timely." This work provides such information for Great Britain, Denmark, and France, and is based on visits to these countries in 1936, as well as on Professor Armstrong's background of "twenty years of research and university teaching in the social insurance field." Each of the three parts includes an introductory summary of the national health insurance system, followed by chapters on the nature of the medical benefit provided; the general status and remuneration of the doctors; work involved in medical insurance practice, including paper work; disciplinary procedure affecting the health insurance doctor; and in each case the attitude of the medical profession toward health insurance. Among the points noted in the conclusion is that "health insurance, by throwing a constant spotlight on the extent of illness, its neglect, and its enormous cost, is promoting the cause of preventive medicine in all fields."

BEST, HARRY. "Blindness in Kentucky." *Kentucky Department of Welfare Bulletin*. Frankfort, Vol. 1, No. 4 (July 1939), pp. 2-3. Processed.

Recommends a program for the blind in Kentucky to follow upon passage of an enabling amendment to the State Constitution. In anticipation of a referendum in 1940 on such an amendment, most of the July *Bulletin* is devoted to articles on the welfare of the blind in Kentucky.

BOICE, CLYDE ALLISON. "Providing Continuity of Medical Care." *Public Health Nursing*, Utica, Vol. 31, No. 12 (December 1939), pp. 689-692.

A private physician describes the maternal-health program in Washington County, Iowa, a rural county chosen by the State Department of Health as a maternal-health demonstration area. The same issue carries an article by Alma E. Hartz on "Home Delivery Service in an Iowa County," which deals with another aspect of the maternal-health program in the county.

BURROW, WILLIAM C. "A Compulsory Workmen's Compensation Act." *Monthly Bulletin* (Kentucky Department of Industrial Relations), Frankfort, Vol. 1, No. 11 (November 1939), pp. 8-9. Processed.

A discussion of workmen's compensation in Kentucky which concludes with the recommendation that the General Assembly "should submit to the people of Kentucky a constitutional amendment proposing that they give our Legislature the power to enact a compulsory Workmen's Compensation Act."

CHICANOT, E. L. "Canadian Doctors Plan for Medical Insurance." *America*, New York, Vol. 61, No. 11 (June 24, 1939), pp. 250-251.

A description of Associated Medical Services, Inc., of Ontario, a voluntary health insurance plan on a fee-for-service basis which was established with the active approval of the Ontario Medical Association.

"Doctors Approve Program for State Crippled Children." *Public Welfare in Indiana*, Indianapolis, Vol. 49, No. 12 (December 1939), p. 11.

Describes briefly the activities of the Indiana Division of Services for Crippled Children and notes the favorable attitude of the Indiana State Medical Association toward the program.

DODD, PAUL A. "Conservation of Public Health." *Annals of the American Academy of Political and Social Science*, Philadelphia, Vol. 206 (November 1939), pp. 147-154.

A short analysis of present health problems and their causes, including the "deficiencies of the present system" of distributing and financing medical care. The author declares there are "at least two simple methods of meeting this problem of risk and inadequacy": extension of public medical services to all or most of the population, and compulsory health insurance. A combined program is recommended.

HILLEBOE, H. E., and MURDOCH, ROBERT N. "Multipurpose Punch Card Record System Applied to Crippled Children Services." *Quarterly Bulletin of the Bureau of Services for Crippled Children* . . . January 1 to March 31,

1939. pp. 12-20. Processed. (Bound with and issued as supplement to *Social Welfare Review*, Vol. 1, No. 4 (September 1939), published by the Division of Social Welfare of the Minnesota Department of Social Security.)

Describes the punch-card system adopted by the Minnesota Division of Services for Crippled Children. Includes a specimen summary sheet, a reproduction of the card punched from information on the summary sheet, and a diagram of the filing system.

Medical Care, edited by David F. Cavers. *Law and Contemporary Problems*, Durham, N. C., Vol. 6, No. 4 (Autumn 1939), pp. 495-680 (entire issue).

This important symposium on medical care in the United States seeks "to indicate something of the anatomy, physiology, and pathology of the legal institutions which are being developed or may be called into being" in the effort to solve the "problem of making good medical care more generally available." In addition to a foreword by the editor, it contains the following articles: An Introduction to National Problems in Medical Care, by I. S. Falk; American Experimentation in Meeting Medical Needs by Voluntary Action, by Martin W. Brown; Ethical and Legal Restrictions on Contract and Corporate Practice of Medicine, by Joseph Lauffer; Enabling Legislation for Non-Profit Hospital Service Plans, by C. Rufus Rorem; Hospital Service Plans: Their Contract Provisions and Administrative Procedures, by Maurice J. Norby; the Michigan Enabling Act for Non-Profit Medical Care Plans, by William J. Burns; the Organization of California Physicians' Service, by Hartley F. Peart and Howard Hassard; The Medical Care Program for Farm Security Administration Borrowers, by R. C. Williams; The Anti-Trust Prosecution Against the American Medical Association, by Benjamin D. Raub, Jr.; The Background of the Wagner National Health Bill, by Harold Maslow; Public Medical Services Under Title XIII of the National Health Bill, by David F. Cavers; Legislative Proposals for Compulsory Health Insurance, by Louis S. Reed; Some Problems in the Formulation of a Disability Insurance Program, by I. S. Falk, L. S. Reed, and B. S. Sanders; and A Study of the Formulae for Grants-in-Aid in the Wagner Bill, by Clarence Heer. An index is included, and the papers contain extensive bibliographical material in the footnotes.

"Pledged Action on Health Bill Endangered by Delays." *American Labor Legislation Review*, New York, Vol. 24, No. 4 (December 1939), pp. 157-160.

This review of official statements, reports, and hearings on a national health measure concludes with the statement that "there must be . . . no further postponement of this legislative program at Washington."

"Proposed Procedures of United States Children's Bureau." *Journal of the American Medical Association*, Chicago, Vol. 113, No. 25 (Dec. 16, 1939), pp. 2243-2244.

Excerpts from a report of the Children's Bureau on recommendations developed at a meeting of the Committee on Maternal and Child Health of the State and Territorial Health Officers held in September with certain

representatives of the Children's Bureau advisory committees on maternal and child health.

"Should There Be Federal Department to Aid the States in Health Work?" *United States News*, Washington, Vol. 7, No. 48 (Nov. 27, 1939), p. 4 ff.; No. 49 (Dec. 4), p. 11. ("The Question of the Week.")

Replies by 24 "leaders in public-health activities and in social security work" to the questions: "Do you favor the American Medical Association proposal for a Federal department of health, headed by an official of Cabinet rank, and for a carefully restricted system of Federal aid for State health work? Or, do you favor a broad federally administered health program that eventually would head up with compulsory health insurance and would be supported by a special tax?"

"Social Insurance Through State Funds." *American Labor Legislation Review*, New York, Vol. 24, No. 4 (December 1939), pp. 170-177.

A discussion of State insurance funds which have been adopted by 18 States in order to give workmen's compensation services at actual cost. The article is based on *Progress of State Insurance Funds Under Workmen's Compensation*, by John B. Andrews (Bulletin No. 30, Division of Labor Standards, U. S. Department of Labor), and is followed by an outline of "The Case for State Funds."

U. S. DEPARTMENT OF LABOR. DIVISION OF LABOR STANDARDS. *Discussion of Industrial Accidents and Diseases; 1938 Convention of the International Association of Industrial Accident Boards and Commissions*, Charleston, W. Va. Washington: U. S. Government Printing Office, 1939. 204 pp. (Bulletin No. 24.)

The subjects discussed include the desirability of State workmen's compensation funds, legal fees in compensation awards, cooperation of workmen's compensation and rehabilitation agencies, potential discrimination against the older worker by insurance carriers, and compulsory workmen's compensation coverage.

PUBLIC WELFARE AND RELIEF

ALPERT, LEO M. "The Alien and the Public Charge Clauses." *Yale Law Journal*, New Haven, Vol. 49, No. 1 (November 1939), pp. 18-38.

An examination of sections 3 and 19 of the Immigration Act, which deal with exclusion and deportation of "persons likely to become a public charge" and aliens who within 5 years after entry become public charges. The author inquires into the nature of public assistance, including general and categorical aid and WPA, as affecting deportability of aliens. Part II, "Who Is Likely To Become a Public Charge?" deals with decisions and general principles in this field.

AMERICAN LEGION. NATIONAL CHILD WELFARE COMMITTEE AND DIVISION. *Report . . . to the Twenty-First Annual Convention of the American Legion, Chicago, Illinois, September 25, 26, 27, 28, 1939*. Indianapolis, 1939. 61 pp.

A report on the activities of the National Child Welfare Division of the American Legion, which extends care of various types to the children of World War veterans, conducts conferences, and carries on other child-welfare activities throughout the country.

BAKER, L. A. "Inventory of the Relief Problem." *Public Welfare Bulletin*, Bismarck, N. Dak., Vol. 4, No. 10 (October 1939), pp. 1-7. Processed.

General factors in recent economic dislocation and their effect on North Dakota are shown, followed by data on the nature of the relief population and on relief expenses in the State. Basic social and educational requirements for a solution of the relief problem are also indicated.

"Characteristics of Old-Age Assistance Recipients." *Pennsylvania Public Assistance Statistics*, Harrisburg, 1939, No. 8 (August), pp. 17-28. Processed.

Tables and text giving "the results of a recently completed study of old-age assistance cases accepted and discontinued during the period July 1, 1938-June 30, 1939," in Pennsylvania.

"Cost of Public Assistance Administration." *Pennsylvania Public Assistance Statistics*, Harrisburg, No. 7 (July 1939), pp. 18-22. Processed.

Analyzes public-assistance expenditures in Pennsylvania and discusses factors affecting the administrative cost ratio.

"Dismissals Procedure in the Department of Welfare in New York City." *Public Personnel Quarterly*, New York, Vol. 1, No. 1 (December 1939, January, February 1940), pp. 34-35. Processed.

Describes the method by which the dismissal machinery of the New York City Department of Welfare "is put into operation prior to dismissal," thereby decreasing actual dismissals and the number of hearings after dismissal. The *Public Personnel Quarterly* is a new journal designed to present research in public personnel work and to digest books, monographs, and magazine articles. It contains classified abstracts of publications as well as independent articles.

"Fifty-Six Counties Without Almshouses." *Alabama Social Welfare*, Montgomery, Vol. 4, No. 12 (December 1939), pp. 16-17 ff.

Since the passage of the Social Security Act, 52 counties in Alabama have given up their almshouses, leaving 11 counties with these institutions still in operation. This article deals with the uses of property formerly so used, adjustment of former residents to families, and community attitudes toward the change. Existence of the problem of providing for persons still in need of institutional care is recognized. The entire issue is devoted to the housing of public-welfare institutions in Alabama, and through articles and illustrations shows the progress made in new buildings, improvements, and better quarters generally. Most of the changes were made possible through the public works and work-relief programs operating in the State.

"Examination of General Assistance in Louisiana Exclusive of Orleans Parish, 1938." *Louisiana Public Welfare Statistics*, Baton Rouge, Vol. 2, No. 10 (October 1939), pp. 3-7.

An abstract of a Master's thesis in the Graduate School of Public Welfare, Louisiana State University, dealing with the characteristics of persons receiving assistance, the cost of aid, reasons for dependency, illnesses and medical care, employability, and rehabilitation possibilities.

"The Kentucky Conference of Social Work, October 11-14, 1939." *Kentucky Department of Welfare Bulletin*, Frankfort, Vol. 1, No. 7 (October 1939), pp. 2-7. Processed.

Summaries of addresses before the conference, with the text of resolutions adopted and the report of the legislative committee.

"Length of Time Present Recipients of Public Assistance Have Received Public Aid." *Public Assistance Statistics*, (Public Assistance Division, District of Columbia Board of Public Welfare), Washington, (October 1939), pp. 1-3. Processed.

A brief discussion, with tables, concerning the length of time during which cases on the public-assistance rolls in the District of Columbia last July had been receiving public aid.

MASON, MARY E. "Social Welfare Service in Pratt County." *Kansas Government Journal*, Lawrence, Vol. 25, No. 12 (December 1939), pp. 12-13.

A discussion of dependency problems from the standpoint of a "welfare director's responsibility to the taxpayers of a community." Includes cases to illustrate different types of problems.

METTEL, HOWARD B. "Maternity Standards Include Plans for Unmarried Mothers." *Public Welfare in Indiana*, Indianapolis, Vol. 49, No. 12 (December 1939), p. 6.

The chief of the Indiana Bureau of Maternal and Child Health describes the standards of maternal care and discusses the placement of children of unmarried mothers.

"Needy Aged Chief Victims of Pension Panaceas." *Social Security*, New York, Vol. 3, No. 8 (November 1939), p. 1 ff.

Comment on old-age assistance in Texas and Colorado, with a critical analysis of the "Ham and Eggs" proposal in California and the Bigelow measure in Ohio.

"Old Age Retirement Prospects." *Community Chests and Councils*, New York, Vol. 15, No. 4 (December 1939), p. 52.

A brief article on developments pointing toward possible congressional extension of the old-age and survivors benefits of the Social Security Act to employees of welfare agencies and lay church employees. Extension to community chest workers is advocated.

"Prevailing Aged Protection Refutes Need for Pension Panaceas." *Social Security*, New York, Vol. 13, No. 9 (December 1939), p. 1 ff.

After analyzing the defeats sustained by "pension panacea peddlers" in California and Ohio in November, this article undertakes to refute the view that the aged are in acute distress. "The United States now has extensive programs providing care for the aged as generous on the whole as that provided by any other country." The presence of the pension plans in States paying benefits above the national average is said to prove that distress among the aged is not the reason for the existence of the pressure groups, and the records of promoters of such groups is cited to discredit any humanitarian claims. A belief in monetary manipulation as an economic cure-all is declared to be the basis for the appeal of such programs.

ROBERTS, MRS. A. H. "The Private Institution's Place in a Coordinated Child Welfare Program." *Tennessee Public Welfare Record*, Nashville, Vol. 2, No. 10 (October 1939), pp. 4-5 ff.

Standards and activities of the Tennessee Child Welfare Division in licensing, supervising, and inspecting private child-caring institutions in the State.

ROGERS, MARY L. "Geeche Case Record." *Survey Monthly*, New York, Vol. 75, No. 12 (December 1939), pp. 372-373.

An example of some of the difficulties in securing adequate case records from rural Southern Negroes.

SPRINGER, GERTRUDE. "Miss Bailey Goes Visiting: '... There Comes a Time.'" *Survey Monthly*, New York, Vol. 75, No. 12 (December 1939), pp. 374-375.

Illustrates the problem of neglected children which confronts the welfare office of a small community.

UNEMPLOYMENT AND UNEMPLOYMENT COMPENSATION

ATHERN, LEIGH. *Unemployment Relief in Labor Disputes*. Los Angeles: [California State Relief Administration] (October 1939), 40 pp. Processed.

"A study of the policies and actions of the California State Relief Administration from 1935 to 1939 regarding aid to persons engaged in labor disputes." The author is labor relations counsel of the State Relief Administration.

"Benefit Procedure in Central Office." *Facts and Figures* (Vermont Unemployment Compensation Commission), place not given, Vol. 1, No. 2 (April, May, June, 1939), pp. 1-2. Processed.

"The course followed by a compensable claim from its receipt in the central office from the local employment office until the check in payment therefor is written and mailed to the claimant is presented briefly herein."

BROWN, MALCOLM, and CASSMORE, ORIN. "Earnings of Migratory Cotton Pickers in Arizona." *Labor Informa-*

tion Bulletin, Washington, Vol. 6, No. 11 (November 1939), pp. 10-12. Processed.

Data on the migratory characteristics, earnings, housing, diet, and health of Arizona cotton pickers in 1937-38, based on a report of the Works Progress Administration.

"Contributions Received and Benefits Paid According to Industry for First Six Months—1939." *Facts and Figures* (Vermont Unemployment Compensation Commission), place not given, Vol. 1, No. 3 (July, August, September, 1939), pp. 44-52. Processed.

Tables and analysis of the contributions paid by each industrial group in Vermont, with comments on the relative stability of employment afforded by the different industries. Includes information on the third quarter of 1939.

"Effect of 1939 Social Security Act Amendments on the Vermont Unemployment Compensation Act." *Facts and Figures* (Vermont Unemployment Compensation Commission), place not given, Vol. 1, No. 3 (July, August, September, 1939), pp. 38-39 ff. Processed.

Discusses new Federal tax provisions and credits against the Federal tax, showing the effect upon the Vermont unemployment compensation program.

"Extent of Waste From Depression Unemployment." *Monthly Labor Review*, Washington, Vol. 49, No. 5 (November 1939), pp. 1075-1079.

Summaries and excerpts on the problem of waste from unemployment, taken from a report of the U. S. National Resources Committee on *The Structure of the American Economy*.

HIBBARD, R. L. "Results of Experience Rating in Wisconsin." *American Labor Legislation Review*, New York, Vol. 24, No. 4 (December 1939), pp. 161-166.

Indicates that "experience rating has already resulted in important stabilization progress" in Wisconsin, summarizes results under the present law, and notes the findings of an investigation by Charles A. Myers, whose conclusions are presented below in the note on an article by him.

"Industrial Distribution of Contested Claims in 1938." *Placement and Unemployment Insurance Activities; A Monthly Bulletin* (New York State Department of Labor), Albany, Vol. 1, Nos. 7, 8, 9 (July, August, September, 1939), pp. 5 ff. Processed.

Text and tables showing materials collected in a sample study of claim-adjustment reports certified for payment by the New York State local employment office managers in the period from May 25 to December 31, 1938. The data were obtained by the Joint Legislative Committee investigating the administration of unemployment insurance, and were analyzed by the Bureau of Research and Statistics of the Division of Placement and Unemployment Insurance.

INTERNATIONAL ASSOCIATION OF PUBLIC EMPLOYMENT SERVICES. *Proceedings of the Twenty-Seventh Annual*

Convention . . . New Orleans, La., April 12, 13, and 14, 1939. New Haven, Conn., 1939. 141 pp.

A complete record of the 1939 meeting, including 3 general sessions and 12 panel discussions. Includes a paper by George E. Bigge on "The Larger Goal of Social Security" and verbatim reports of panels on staff training, organization and operation of local employment offices, public relations, research, interviewing, and other topics.

INTERSTATE CONFERENCE OF UNEMPLOYMENT COMPENSATION AGENCIES. *Third Annual Meeting . . . Indianapolis, Indiana, October 2-5, 1939.* Place not given, 1939. 104 pp. Processed.

The name of this organization was changed at the third annual meeting to the Interstate Conference of Employment Security Agencies. Topics of discussion were the functions of the conference itself, relation of the Social Security Board to the States, integration of placement and unemployment compensation, and Federal minimum standards for State programs. The report also contains the text of the report of the president, Ray R. Adams, of Utah, and of addresses by Paul H. Douglas, George E. Bigge, Oscar M. Powell, William H. Stead, R. Gordon Wagenet, and Frieda Miller. The reports of the conference committees are also given.

"Jobless Compensation Commission Reports." *Monthly Bulletin* (Kentucky Department of Industrial Relations), Frankfort, Vol. 1, No. 11 (November 1939), p. 7. Processed.

Brief data on the activities of the Kentucky Unemployment Compensation Commission to November 1, 1939, including benefit payments, placements, financial status, and administrative costs.

MALISOFF, HARRY. "The Emergence of Unemployment Compensation III." *Political Science Quarterly*, Lancaster, Pa., Vol. 54, No. 4 (December 1939), pp. 577-599.

The final installment of a study of "the principal phases of the contributory and benefits provisions drafted in the 'emergent' period of the unemployment compensation acts, 1935-1937." The influence of the recommendations of the Committee on Economic Security and of the draft bills of the Social Security Board is shown. The generally liberal trends in State amendments in 1938 and 1939 are indicated, although these developments are not regarded as an adequate clue to future legislation. In a concluding summary the author notes several factors that may influence coming events in this field.

"Migration of Workers Into New York State." *Placement and Unemployment Insurance Activities; A Monthly Bulletin* (New York State Department of Labor), Albany, Vol. 1, Nos. 7, 8, 9 (July, August, September, 1939), pp. 13-16. Processed.

Data on the number of resident and nonresident workers in New York State during 1938, based on social security account numbers. Average per capita earnings for migrants and New Yorkers are shown in tables and charts.

MYERS, CHARLES A. "Employment Stabilization and the Wisconsin Act." *American Economic Review*, Menasha, Wis., Vol. 29, No. 4 (December 1939), pp. 708-723.

"This paper summarizes the results of a field investigation in 1937-38 of employer efforts to stabilize employment under the incentive provided by the Wisconsin employer-reserve unemployment compensation law . . . Nearly two-thirds of the 247 employers interviewed have been encouraged by the prospect of a reduced contribution rate to do something toward stabilizing employment, although only a minority have met with relative success."

"A New Delinquency Control Procedure." *Placement and Unemployment Insurance Activities; A Monthly Bulletin* (New York State Department of Labor), Albany, Vol. 1, Nos. 7, 8, 9 (July, August, September, 1939), p. 10 ff. Processed.

Presents the "chief technical features" of a new system adopted in New York for controlling delinquency in reporting on the part of employers subject to the State Unemployment Insurance Law.

"Placements—First Six Months, 1939." *Placement and Unemployment Insurance Activities; A Monthly Bulletin* (New York State Department of Labor), Albany, Vol. 1, Nos. 7, 8, 9 (July, August, September, 1939), pp. 35-40. Processed.

Information on placements in New York State, by industry and occupation, including separate data on placements of juniors and of handicapped applicants.

"Precedents Established in Appeal Board Decisions in Cases of Failure to Report at Local Office." *Placement and Unemployment Insurance Activities; A Monthly Bulletin* (New York State Department of Labor), Albany, Vol. 1, Nos. 7, 8, 9 (July, August, September, 1939), pp. 17-19. Processed.

Failure of claimants to report to local field offices and consequent suspension of eligibility for unemployment benefit resulted in appeals totaling 16 percent of all cases decided by the New York Appeal Board from January 1, 1938, to June 30, 1939. This article indicates some general principles that have been established concerning misunderstanding of the requirements, absence from jurisdiction, illness, personal and domestic reasons, and other causes of failure to report.

RUGGLES, CATHERINE G. "Corporate Surpluses, Income, and Employment." *American Economic Review*, Menasha, Wis., Vol. 29, No. 4 (December 1939), pp. 724-733.

A critical discussion of an article by Don D. Humphrey on "The Relation of Surpluses to Income and Employment During Depressions," which appeared in the same journal for June 1938. Against Mr. Humphrey's view that depletion of corporate surpluses during the depression did not operate to maintain employment the author gives reasons for holding the opposite opinion, including the point that "a firm with a surplus is likely to continue production longer than a similar one without a surplus."

TOLL, LAURA G. "Hotel Jobs." *Careers* (California Department of Employment), Sacramento, Vol. 2, No. 8 (October 1939), p. 7. Processed.

Data on the seasonality of hotel employment in California during 1938 are compared with the seasonal pattern of the basic lumber industry in the State. The hotel industry is shown to be relatively stable. The information is given only for firms having at least four employees during 20 weeks of the year.

"The Unemployment Compensation Law and Labor Problems; Practical Aspects of Labor Dispute Problems." *Monthly Bulletin* (Kentucky Department of Industrial Relations), Frankfort, Vol. 1, No. 11 (November 1939), pp. 14-16. Processed. ("Legal Compensation Notes.")

Considerations on labor disputes as they affect the decision whether or not to allow unemployment benefits.

"Unemployment Compensation Training Conference." *Facts and Figures* (Vermont Unemployment Compensation Commission), place not given, Vol. 1, No. 3 (July, August, September 1939), pp. 1-6. Processed.

A review of the unemployment compensation conference held at the University of New Hampshire, July 31 to August 12, 1939. Summarizes discussions by the following conference leaders on the topics indicated: Eveline M. Burns, Relationship of Unemployment Compensation to Other Forms of Unemployment Assistance and Relief; Raymond C. Atkinson, Analysis of State Unemployment Compensation Laws; Meredith B. Givens, Merit-Rating, State-Federal Relations, State Organization; Franklin Connor, Employment Service; C. A. Kulp, General Review.

"Why Job Openings Are Not Filled (Canceled Openings in New York City—April and May 1939)." *Placement and Unemployment Insurance Activities; A Monthly Bulletin* (New York State Department of Labor), Albany, Vol. 1, Nos. 7, 8, 9 (July, August, September 1939), pp. 29-32. Processed.

Discusses the number of job openings reported by local employment offices which are later reported canceled, with reasons for the cancellation. Illustrated with charts and tables.

WORKERS ALLIANCE OF AMERICA. *Reports and Proceedings, Fourth Annual Convention . . . Cleveland, Ohio, September 23-26, 1939*. Washington, 1939. 154 pp.

The Workers Alliance is an organization open to persons "employed on or in need of employment on a government works program, or in part-time work in private industry," or "on relief or some form of social security or in need of and eligible to relief or some other form of social security or old-age benefits." The report includes much discussion of unemployment, and particularly of Government programs for its alleviation. Extension and liberalization of social insurance and assistance benefits are urged, and health insurance is recommended.

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